

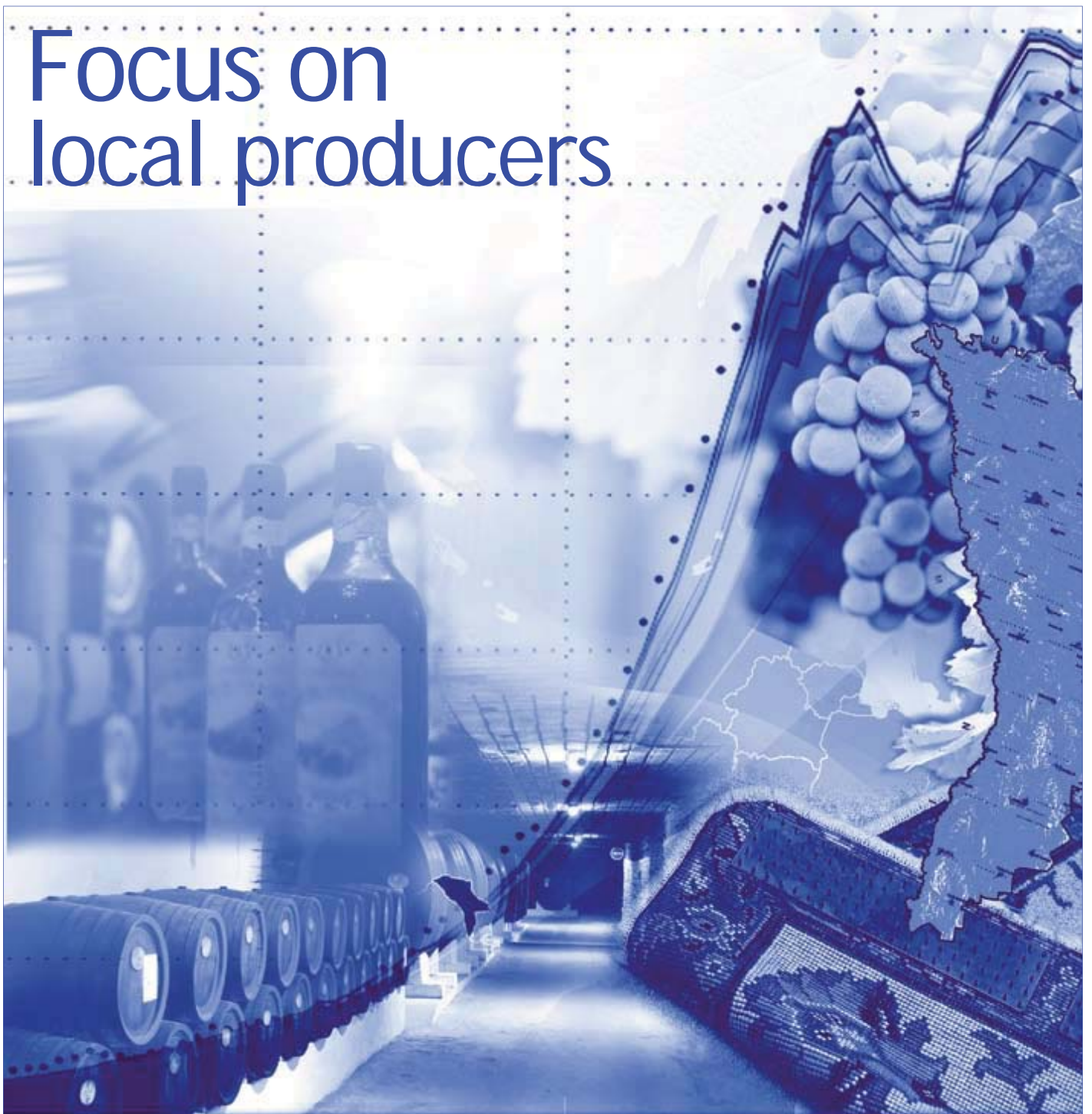
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Business Review

A publication of the American Chamber of Commerce in Moldova

fighting for your business

Focus on local producers



Interview with
Dumitru TCACI

AmCham Moldova promotes Moldova
and Moldovan products abroad

CCI of Moldova supporting
local producers



Business Review

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UK delegate to International Wine
and Vine Organisation (OIV), Paris

CONTENTS:

- 2 LETTER TO MEMBERS
- 3 NEW MEMBERS
- 4-5 AMCHAM COMMITTEE REPORT
- 6-7 MEMBER SPOTLIGHT
- 8-18 FOCUS ON LOCAL PRODUCERS
- 19 MOLDOVAN NEWS
- 20-22 REFORM & LEGISLATION REVIEW
- 23-25 WORLD NEWS
- 26-27 EVENTS
- 28 REFORMS



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UPCOMING EVENTS:

International Conference on CSR-October 30
Tax & Legal Committee Meeting - October
HR Committee Meeting - October
CSR Committee Meeting - October



Dear Members,

It is with mixed feelings that the American Chamber of Commerce in Moldova bids a fond farewell to two of our longstanding members of the board of directors...

In August, Ludmila Costin of PriceWaterhouseCoopers left the Chisinau office to take up her new role with PwC Romania in their Bucharest office. Ludmilla has been an active member of AmCham and a member of our board for nearly 3 years and, as the representative of PwC, is one of the original founders of AmCham. Ludmila has been a great example of a reliable member/board member with invaluable contributions to our development and clear insights into how Am-

Cham and the business environment should develop and progress. Additionally, in this current year, Ludmilla also worked very closely with our Executive Director, Mila Malairau, to develop the future PR strategy for AmCham and how we will communicate better with the community. These and her many more contributions have made her a very valuable member of our team. I can also say that she has become a personal friend and a very pleasant and easy person with whom to work.

At the same time, we also say goodbye to Conrad Fritsch from ENFA. Conrad has been an active and potent member of the Board of Directors for more than 2 years. He replaced Dennis Zedak as the representative and board member for ENFA, another founding member, shortly after AmCham began its activity. He quickly went to work to help build AmCham Moldova from its foundations into what it is today. He was one of the leading authors of AmCham Moldova's contributions to the Millenium Challenge Constraints Analysis, which has gone on to establish AmCham as a true working partner with the Moldovan government. Conrad has become our resident expert in Agri-business and helped to establish AmCham's position in one of our first market segments as an expert in that sector with qualified contributions that are taken very seriously. He has also been a driving force in setting the direction for AmCham's development and direction.

I have often said that the dedication and strong participation of our board members are the main source of the success that AmCham has enjoyed to date. Ludmila and Conrad are no exceptions. We will sorely miss their contributions, judgement, wit and friendship. We will miss them among our team but wish them both success and happiness in their new endeavors.

Kindest regards,

John Maxemchuk

President of the Board of Directors

American Chamber of Commerce in Moldova

Welcome to AmCham Newest Members



ORHEI-VIT SA is a business that produces natural fruit drinks and canned vegetables. It was founded in 1945, but the existing infrastructure was established in early 80's, when the second production line was put into operation and the aseptic department for juice storage was created.

It is not accidental that the leading producer of canned fruit and vegetables has a Latin root in its name - "VITA" in Latin means «life». The combination of high-quality ecologically clean raw materials and modern technologies of the well-known world producers created products that are rich in vitamins and minerals that are very important for vital activity of human body.

The enterprise has the opportunity to make 30 million packages and 15 million bottles of various natural juices and nectar annually. Awards were gained at the prestigious forums of food and drinks in Barcelona and Paris. According to the results of the international audit, JSC "Orhei - Vit" was awarded a certificate that confirms application and further development of quality management system in accordance with the requirements of standard ISO-9001 and HACCP.

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ICS BEMOL RETAIL SRL is the owner and operator of the BEMOL petrol station network in the Republic of Moldova. In December 2007 BEMOL opened its first petrol station and since then expanded its network to more than 30 stations throughout the Republic of Moldova. By 2010, the company intends to increase the number of its petrol stations to 50.

BEMOL's activities range from the sale of oil products to the operation of car wash centres and convenience stores at its petrol stations. Since the start of its operations BEMOL created more than 600 permanent jobs in the Republic of Moldova.

BEMOL is an affiliated company of Danube Logistics, the owner and operator of Giurgiulesti International Free Port and a wholly owned subsidiary of the Dutch Company EASEUR Holding BV.

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AMCHAM GENERAL SPONSORS 2009



AmCham Committee Report

CSR Committee

Corporate Social Responsibility (CSR) Committee within AmCham Moldova has launched a new Social Project called „**Every Child Matters**” within the **4th of July, 2009** celebration. This project is designed to renovate postnatal rooms within Republic of Moldova’s maternities and provide appropriate birthing facilities for women. The main reason that lead us to launching this Project came from poor and unsatisfactory conditions that exist in the maternities at the moment.

The first place to be renovated is located at „Centrul Mamei si al Copilului” in Chisinau, where mothers from all over the country are taken care of. The room will be completely renovated, including the walls, the windows, the door, sanitary equipment, bathroom & furniture needed for the mother and for the baby.

The first step taken in the fundraising for this Project was the **4th of July Charity Lottery, 2009**. We’ve succeeded collecting an amount of **9,700 MDL** (almost 950 \$). Several AmCham Members have expressed their willingness, for contributing at this Project. These companies are **BRITISH-AMERICAN TOBACCO, EURASIA FOUNDATION, MOLDCELL, SUN COMMUNICATIONS, MOLDOVA AGROINDBANK, INFOHUB and RED UNION FENOSA**. In this way, we’ve got almost **7,000 \$** for the implementation of the Project.

Besides financial contributions, all these companies are actively participating in the direct implementation of the Project. The renovation process of the room is planned for the entire end of September. By the end of October AmCham has the task of reporting on the results achieved.

We believe that by joining our common efforts we definitely can make many more families happy, by giving to mothers the joy of the motherhood feeling.

Almost at the end of this project, we would like to show our deep appreciation to all the companies-members that got involved into the project till now and let everyone know that without their unconditioned help this Project wouldn’t be possible to launch.

Tax & Legal Committee

AmCham Tax & Legal Committee has elaborated Opinion on Draft Tax Code 2010

In August, AmCham Tax & Legal Committee Members had been working hard to review and comment the Draft Tax Code for 2010. An Opinion was elaborated and submitted to the Ministry of Finance. We were happy to receive Ministry’s appreciation of our work and look forward to finding AmCham proposals and suggestions in the new Draft of the Code.

AmCham Tax & Legal Committee was launched in May 2009 to act as a lobby group for tax and legislative issues affecting members, and, in the same time, to serve as an educational forum for membership and to facilitate the information exchange on important tax and legal issues.

Currently there are 9 AmCham members involved in the activity of the Committee: KPMG Moldova and Moldcell – co-chairing the Committee, Pricewaterhousecoopers, Hewlett-Packard, Mary Kay Limited (Moldova), Phillip Morris, RED Union Fenosa, Ernst & Young, Orhei-Vit.

We would like to express our warmest thanks to all those who had dedicated their time and effort for the successful activity of the Committee.

HR Committee

During the summer of 2009 the HR Committee continued its work, which included organizing two meetings for its members. The first meeting took place on June, 29, at the AmCham office on the topic: “Selection and recruitment process” presented by Domnica Griu from RomPetrol. The meeting was an interactive one, in which all the representatives present shared their experiences and opinions on the topic.

The second meeting took place on August 26, in the Moldcell administrative building, on the topic: “Development process within the company”. The theme included discussions about how Moldcell is planning its annual development process; the yearly budget approval; analysis of development needs and companies’ development plan approval process. Thanks to all the HR Committee members for their active participation. ■

A campaign of funds collection for children who have been injured in home conditions was organized by "MOLDCELL"

Our children are our hope, our deepest love and our biggest responsibility. Even so, one of the main causes of infantile death in Moldova are accidents produced at home, where the little ones are supposed to be watched and taken care of by their families.

Moldcell company is conscious of the fact that improving the life of the community is one of the key-missions of a big business organization (the mobile operator enters the top 10 of most powerful joint venture companies in Republic of Moldova). Corporate social responsibility (CSR) values have been transmitted to the Moldovan company through its shareholder, the Swedish-Finish telecommunications group "TeliaSonera" and have been successfully applied over the years in numerous social, cultural, sports, humanitarian projects.

In order to help children who have been injured in home conditions, to raise the awareness on the alarming implications of this phenomenon and to promote CSR principles,

The statistics show that over 110 children suffer traumatism in home conditions each day. Some of the injures are more or less easy to treat, while others are incurable or even lethal. In most of these cases, the families of the children are not even aware of the dangers their dwelling hides.

Moldcell decided to become the exclusive business sector partner of the national communication campaign "A house without dangers for your child". The campaign has two main objectives: to contribute to the recovery of children from 0 to 5 years old who have been injured in home conditions and to inform concerned families of the perils their house may

hide and of how important it is to be a responsible parent. The campaign is part of the Moldovan-Swiss project "Regionalization of the pediatric emergency and intensive care services" (REPEMOL). The other partners are the Ministry of Health of Republic of Moldova, Swiss Agency for Development and Cooperation, and the implementer – the foundation "Centre for Health Policies and Services" (CPSS).

In the first step of the campaign, Moldcell decided

During August 3 - August 31, all Moldcell users were able to donate the sum of 10 lei by calling or sending an empty SMS for free at the short number 9490. The collected money will be transferred to the project implementer (CPSS) in order to be used for covering the surgery and/or treatment expenses for those children who have suffered injures at home.

to offer to all clients the possibility to contribute and help those children who can still be saved, by a campaign of funds collection. The selection of those to be helped is to be done according to equidistant and transparent criteria. The entire campaign is controlled by the partners and the results will be publicly announced.

Until the month of March 2010, the national campaign with the slogan "Take care of me. I want to live!" will try to change the current situation concerning infantile accidents in home conditions by informing the population according to three thematic areas: burns and scalds, intoxications and poisonings, drowning and suffocation with foreign bodies. Moldcell will continue to be an active partner in this project and to search new, effective possibilities for contributing to the development of our society.

Interview with Boris Efimov, Orhei-Vit



*Boris Efimov
Financial Director,
Orhei-Vit*

1. It is well-known the great experience and very good reputation of Orhei-Vit. What is the biggest success in the history of your company?

There are a lot of memorable and important events within Orhei-Vit's 64 years life since opening in 1945. We won a number of prizes on many expositions throughout the world. We have been fully certified by ISO and HACCP.

I see the biggest success of the company in the fact that one Moldovan company sells its branded products in 28 countries annually. There are over 200 items that we produce and sell in Asia, Europe and America in the last 10 years. This is a good example of Moldovan products competitiveness.

2. How competitive is the local Moldovan market? Can our local products compete with the imported products brought on the local market?

Presence of made-in-Moldova products from agribusiness sector on Moldovan market is quite essential. There is a share of local producer almost in every range of products. There are producers of juice, baby food, dairy, grocery, meet and other products.

The share of the market is a best measure of competitiveness. As the share of local producers in Moldova varies by sector I feel appropriate to focus on Orhei-Vit sectors of interest. In JNSD (juice, nectars, still drinks) national producers share in Moldova is 30% by years with very small deviations. Orhei-Vit share in

baby juices and puree is over 50%. Taking into account the number of players these shares are big enough.

There are many reasons why we feel strong on the market. The main reason is our customers' confidence in our quality. Many consumers in Moldova know that natural apple juice concentrate produced in Moldova is one of the best by quality in the world and is sold at best prices annually to Ukrainian, Romanian, Austrian, German and other companies. That is why they prefer to buy local apple juice because a juice imported from Ukraine or Austria may contain Moldovan concentrate.

Some consumers do not buy exotic juices like orange, multifruit, pineapple etc produced locally because these fruits do not grow in Moldova. However, there is no explanation why they believe these fruits grow in Ukraine, Romania, Russia, Germany or Austria. It would be very difficult to find an orange juice on the local market produced in Brasilia, Greece or Israel. Because Brazilian, Greek and Israel producers are operating in the same way as others, processing oranges into natural orange juice concentrate and eliminate by this any competitive advantage.

A reasonable question would be if local producers are good color and taste technicians. We prefer not to play with colors and aromas. We understand that from marketing prospective it is not good when the same juice differs by color and taste from one production cycle to another. The problem here is that there are a lot of varieties of the same agricultural raw material processed by factory. For example, there are more than 10 varieties of tomatoes processed by Orhei-Vit. Every variety is specific by color, solids, etc. These are not mixed altogether to make the juice with the same characteristics. As a result tomato juice varies from one production cycle to another. We prefer to make it as it is with no color or other additives. We believe it will play a good role in long run. The company is making juices more than 15 years and is not looking to benefit from short term interests.

3. What challenges agro-food sector is facing in Moldova & what shall be improved?

One of the most important issues for the company is to have qualitative agricultural raw materials. We see a strong economic progress in agricultural sector. There are many farmers that are not just survivors anymore but investors in orchards, new products and people. There is a big job that has been done by

the local governments and the USAID projects and other international organizations since 1994. However, there is a lot that should be done to achieve western harvesting averages and improve quality. Apple yield per hectare in Moldova is so low that there is no reasonable explanation to be expected.

I believe new arriving projects on irrigation will play a serious role in harvest improvement and overall agricultural development. The harmonization with European standards in certification and sticking to these standards will also help many local producers.

Another biggest challenge I see is absence of long-term financial resources for investments. Unless we have loans provided for a period over 5 years at interest rate Euribor plus 2-3% the economy will still register very small annual growth.

4. What perspectives for the activity of the local producers can we expect for the next 10 years?

In the long term the sector will grow in number of producers, products and competitiveness. The companies and employees are becoming more professional. Marketing industry is growing and is creating a good support for local producers competing with strong Ukrainian, Romanian and European companies. Local companies become stronger in financial investment opportunities and human resource development.

We hope that Moldova will progress into Europe in nearest future. In this case Moldovan market will not be considered as a small and closed one. This will provide huge opportunities for larger companies to start production locally for big European market. This will bring investments, knowledge and will boost local incomes and budgets.

In the new financial environment I don't see long-term investments in short term from 2 to 3 years. Local producers will play with there products within the same equipment and production capacities. At the moment players are looking to see were the market is going to.

The food sector will develop as it does not suffer from different global difficulties to the same extent as for example construction industry. There are no sudden shifts to be expected here. The main current change is observed in change of consumers preferences. Within the last 5 years people were switching from cheap products in favor of products with higher quality standards. At the moment the trend is in opposite direction. For example, in 2008 and 2009 sales of 100% natural juices decreased and sales of nectars with 50% fruit content increased.

Consumers preference will change with the change in their incomes. Traditionally Moldovan customers do not like cheap products because notion 'cheap' is something repulsive. However, in developed countries, for example Great Britain were I studied for one year, the word 'cheap' is very popular and attractive. Probably we need some time to grow and understand it.

5. What tools/methods are used for convincing the consumers of the Republic of Moldova to buy the goods produced locally rather than the imported one?

The company does not believe that convincing buying local products is effective in long run. We focus on consumer preferences, market expectations, our brands and new developments. The company is very active on the market and initiated a lot of projects in last two years. In 2008 and 2009 we increased our juices offer by 5 new flavors, launched series of direct press juices Gustos, changed style and packaging of juices in small bottle, started filling juices for Parmalat, made rebranding of our baby food, started a series of baby food products for Ukrainian and Russian markets. Our staff is growing professionally participating in expositions and conferences in Germany, Russia, Romania, Kazakhstan, India, Israel, France.

Though there are a lot of competitive imported products on shelves, many customers in Moldova prefer our products. We are very grateful to our customers as they allow us exist and develop new products. Their money are distributed among farmers, employees, transportation companies, service and material suppliers and national budget. We respect the choice of other customers preferring imported products. In this case we lack the additional financial opportunity to grow however it makes us stronger professionally.

6. What are the biggest aims you want to achieve in the next few years?

There is a number of targets for nearest few years. One of the main direction is new product development. At the moment we are developing a new series of juices that we expect to launch in 2010. In a couple of weeks a new series of jams will appear on shelves with flavor development within next two years. Another two projects are in progress. The other direction is market coverage. We aim to achieve full geographical distribution in Moldova within 2 years. We have intensified our efforts to increase our presence in Romanian market. This market is not traditional for our company however we see big opportunities for growth within coming few years. ■

AmCham Moldova promotes Moldova and Moldovan products abroad



AmCham Moldova is launching a new project that is aimed to promote Moldova and Moldovan companies abroad. To this purpose, an annual Catalogue will be published with a corresponding online version.

The main objectives of the new project are as follows: to increase Moldovan exports to the USA, Canada and Western Europe by targeting initial sales to the large diasporas of Eastern Europeans living in those areas who already know the benefits and values that Moldovan products offer, to use these various diasporas to help raise awareness among the general populations in their countries about the Republic of Moldova, to promote Moldovan companies and their products abroad and, to establish direct contacts between Moldovan companies and potential customers and clients.

'It is known that the main objective of the AmCham Moldova, as with all AmChams worldwide, is to promote trade and investment between the United States and the countries in which we are

active. We, at AmCham Moldova, consider that promoting Moldovan companies abroad, and promoting Moldova, its cultural and historical values, will be to the benefit of the country, as it will bring a considerable exchange of technologies and to share best practices in each strategic field of Moldova. We are very interested in Moldova's economic and social improvement and we will do our best to have a significant input toward this objective", Mila Malairau, Executive Director of AmCham Moldova, said.

The **printed Catalogue** will be distributed to 2000 ethnic grocery stores and shops that serve the more than 15 million Eastern European diasporas living in the United States plus those in Canada and Western Europe, that are aware of Moldovan products. It will contain the name, contact information, product description & images for each product and price list. Beneficiaries of the catalogue will find it extremely easy to use because of the wide search options: companies sorted by name, categories, trade-

mark, and products. The information will be fully checked and updated each year.

Online E-Catalogue will be a "simple-to-use" and very effective way to promote and sell products and services. It makes the "buy decision" as easy as possible. The online e-catalogue, using the power of the internet, can improve the way the companies do business while saving money on expensive printing costs. **E-catalogue** allows to the potential customers immediately to order companies' products and receive relevant information such as new pricing and new products. Through the E-catalogue the companies will be placed on an electronic marketplace for the purpose of conducting business over the Internet. E-catalogue is intended to facilitate the entry of small & medium enterprises into electronic commerce opportunities & into electronic marketplaces. The integrated design will allow moving easily between product descriptions, indexes, and order-in-progress, thus making the ordering process more convenient for the customers.

AmCham Moldova invites interested companies to apply for participation at this project, by completing the Application Form, which is placed on the website www.amcham.md or can be obtained directly at the AmCham's office. Only companies with notorious reputation and in good standing are eligible to take part in this project. ■

For more information, please contact Elena Buzu, Project Coordinator, at **211 781** or elenabuzu@amcham.md.

"Potential of Moldovan wine companies exporting to the European Union"



David Orchard
UK delegate to International Wine and Vine Organisation (OIV), Paris.

My remarks are based on a year's EU-funded intensive experience as wine consultant in Moldova, working alongside MWs (Masters of Wine) Angela Muir and Caroline Gilby, and also wine journalist Jane Parkinson (then of Wine & Spirit International, UK).

The main initial problem that we encountered was a large but 'fossilised' wine industry, geared almost entirely to supplying their previous Russian market with sweetish and slightly oxidised wines in large quantities, often in bulk but sometimes in bottles of highly inventive shapes, with labels that were not in conformity with EU rules. Not all the grapes were *vitis vinifera*, which is a requirement of the EU wine regulations, applied in all 27 Member-States.

But things rapidly and radically improved during 2006/07: many of the better wineries were privatized to form the "Moldova Wine Guild", and they mounted a lively presence at the London Wine Fair in 2007 and 2008, aided by our own people in the EU consultancy project, and also by the American USAID (who have been very proactive in improving Moldovan industry generally.) The Wine Guild wineries completely modernized with new equipment from Western Europe, and ensured a much faster "grape to glass" path by consolidating vineyard holdings and speeding up grape delivery at harvest time, while winery vinification hygiene standards were vastly improved. The state-owned wineries also began to get their act together, possibly aiming more at the HORECA trade where their 600 km of cellars full of bottle-aged wine of considerable antiquity might have much appeal. And one of the

state-run wineries (Milestii Mici) actually got itself into the 2008 "Guinness Book of Records" with its underground "wine city" of 300 km of cellars, deservedly so, and good for the image of Moldovan wine as a whole.

So things are now looking up at last for Moldova - the Wine Guild produces some excellent wine fully attuned to EU consumer needs, and vinified from 'noble' *vinifera* varieties such as Cabernet Sauvignon, Merlot and Shiraz. Some brands have already successfully penetrated the UK market, such as "Taking Root" from Acorex and "Firebird" from DK Intertrade, and other worthy contenders such as Purcari's Cabernet Sauvignon and Rara Neagra are waiting there for buyers to visit and taste. Of course, there still is a lively domestic market (typified by the animated Chisinau Wine Fair every October) which does not always conform to our oenological expectations, but this is after all Eastern Europe's largest wine producer, and it has to accommodate itself to all its different markets world-wide. That said, the wines destined for the EU markets are truly excellent these days, and really merit further exploration.

Looking outside the UK (always the European Union's largest wine importer by value, and currently its largest importer by volume), the main potential markets for Moldovan wine are Germany, Denmark, Sweden, Finland, Belgium/Netherlands, Czech Republic, Poland, and the Baltic States. None of these countries produce enough wine to satisfy domestic demand, and some produce no wine at all, but they all have a lively and expanding consumer wine market. Germany deserves special study, as it has two local wine producing areas of its own (one in the Rhineland, and the other in Saale/Unstrut in former East Germany), and has also developed a very large capacity for importing wine in bulk and bottling/labelling it for EU consumption. (Hence my remark about the "largest importer by volume" - currently the UK, this is nearly always Germany !)

The EU wine market is not highly tariff-protected, but the EU sets strict public standards in its Wine Regulations (available on the Internet - start looking for Regulation 1493/1999 and then follow the trail !), and consumer market trends increasingly demand clear and simple labelling and branding, a "fresh-tasting" rather fruity wine style, and modern innovations like screw-top bottles are increasingly finding favour. Retail sales are nearly universally in 75 cl bottles (70 cl is technically illegal in EU - Moldova, please note), and the "bag-in-box" market segment (which Moldova does well) is unfortunately static, though environmental considerations might see it improving in future. ■

Interview with Dumitru TCACI



Dumitru TCACI
Executive Director
Moldovan Wine Guild

1. What qualities do you think are most important for a wine associate of the Wine Guild?

In the last 5 years of the wine business in Moldova has not been the best. Meantime, you see how strong and quickly wines from New World, especially Chile and Australia are increasing their sales.

At the same time, the big players on the international arena, like France and Italy, hold their market positions.

How do they do it? What is the secret of success of the New World wines? *What is the secret of success of for the permanent demand of French wines?* And what is the secret of long term business relationships of German wine producers?

We've discovered the answer during our participation in the international exhibitions in Great Britain, France, Germany and China.

The Moldovan Wine Guild with their 5 members on a stand of 45 square meters was in unequal competition with hundreds of square meters of the Chilean, Argentinean, French and German stands. When you enter the exhibition hall where the Italian wines are presented, you can walk around and listen to Italian music, at the corner you can taste some typical Italian food or you can try some of their best wines on the opened stand and, in the end, you will not be allowed to leave the hall without receiving a gift. It could be a small bottle of wine or a special wine bag etc..

On the other hand, Moldova's stand at the exhibition was too small and less attractive *than their competitors*, for the European and World customers present at the event. We need to bring our forces together in order to increase the number of members of the *Moldovan Wine Guild* and to ensure the goals for all the members are the same as for the Association.

In these terms, the best thing to do for each member is to be an integral part of the whole group, to understand its responsibilities, to work effectively for the mutual goals they have established within the Association and, in an end, to help each other to achieve excellent common results.

2. Wine experts generally agree that the country itself, not just the wine from which it comes, must be "sold" to the consumer. What specific efforts are being made in this regard by Moldovan Wine Guild?

"First country - then wine"- this was our motto when we started organizing various events and still is! I would like to tell you an interesting story that happened to me and explain that afterwards I changed my opinion completely. Sitting in a restaurant in Düsseldorf, a city that is situated on the Rhine River, *famous for* numerous fashion events and fairs, I was observing how a man was trying to choose a wine to drink. The drinks in the Wine-Book were separated first by the country of origin, then by regions and the third criteria was the name of the wine in small words, listing the name of the winery. After thumbing through the pages of the wine-book, the man said to the waiter: "Give me please, this white wine from New Zealand! ".

No name of the wine, no name of the producer – just the name of the country and the type of wine. Everything is very simple – if you know the country, you can find any wine you want.

This is why on all exhibitions, in all publications, the name "MOLDOVA" is positioned on the first place. People just have to remember this word - "MOLDOVA" and the main part of promotion work is done.

3. Some skeptics believe that Moldova should take aggressive steps to diversify its variety of products, because of different factors, one of them being competition. Have Moldovan producers been successful in adapting to the Western taste for drier & fruitier vintages?

Moldova has a wide range of wines for each segment of the European market. The results achieved at international wine competitions where our wines permanently received gold and silver medals, show that we are proceeding in the right direction. Unfortunately, the quality of wine is not the only criterion that establishes the rules in the EU wine market. The wine needs to have a competitive price, various bottles and corks, interesting labels, etc. It needs to have a good location in the market and that place costs money. Actually, there seems to be a lack of investments in the promotion of wines and also a lack of optimization of the production costs.

4. The acceptance of Moldovan wines has been successful in the EU countries during the last years. To what do you attribute this success?

Yes, you are right! In the first half of 2009 Moldavian wineries have exported more than 6 million bottles to the EU and this statistic is rising each year. But there is no unique strategy used by each winery for promoting its wines in Europe. There are different approaches for each producer. Somebody opened its Trade House in Europe and developed its own distribution chain, another producer invested money in listing their wines in supermarket chains and someone else found a perfect price/quality value. All of them can be considered as having discovered the European market after their own efforts.

5. What have you learned/discovered new about wine during your experience in the wine sector?

My wine experience started at Cricova in 2003. During these years I learned that you need to be full of enthusiasm and you should not expect quick results in this business. Wine

is a very special product which has much more personal subjective features than technical objective ones. The personal relationship between the producer and the customer is very important. Wine is not metal and it can't be sold without close contact between the winery and the customer. You need to meet with the people, make personal relationships with them, discuss their culture, history and politics and then start business negotiations with them.

I have discovered that in our country, unfortunately, the most of the producers, with old wine-making traditions, don't know too much about wine. In European countries, when sitting in a restaurant and drinking a glass of wine, people can talk for hours about the wine they are drinking. But in our country, very few people know something more than what is written on the label of the wine they consume. ■

Thank you!



Chamber of Commerce and Industry of Moldova – supporting local producers



*Gheorghe Cucu
President,
CCI RM*

In spite of the fact that during August 2008 - 2009, economic recession was in full swing, Chamber of Commerce and Industry of Moldova did everything possible to be as close to the representatives of the local businesses as it could and tried to contribute to the improvement of the country's overall business environment. These activities involved a more profound dialogue between the public and private sector, meetings with various business people, and discussions of the problems they face day to day; the formation and re-qualification of the human resources as well as offering the necessary support for the promotion of the national goods and services on the local and foreign markets. As a result, together with the National Group of Work, which holds meetings on a weekly basis and whose member the Chamber of Commerce and Industry of Moldova is, we took part in several debates

regarding 300 law projects, Government decisions and other legislative acts.

A great importance is paid to the collaboration with our local and foreign counterparts, the collaboration that aims at consolidating the position of the real sector of Republic of Moldova. Different seminars were organized for the Chamber's members as well as for other entrepreneurs. Traditional partnerships have continued, new projects have been discussed and elaborated and a large specter of services has been offered.

The Moldovan-German Program regarding the improvement of the managers' professional qualification represents a new type of project for our country, which started in the second half of the past 2008 year. It is worth mentioning that 18 months ago, our Moldovan managers returned from the internship that took place in Germany. The results of this experience consisted in new contacts made and new knowledge acquired. I would also like to mention that Vocational Training Center, representing one of our departments, is now accepting application forms from other professionals all over the country. The selected participants will be notified and will form a new group that will receive a month internship in Germany.

During August 2008-2009, the Vocational Training Center organized over 50 series of trainings, seminars and courses for almost 600 participants. Recently, the Center has expanded its services connected with the most recent and most important problems for the economic agents they face nowadays. Another significant plan I'd like to mention is the fact that in cooperation with the Information Technologies Department, Vocational Training Center is preparing a new concept of professional education in the field of informational technologies designed for businessmen.

During this year, Chamber of Commerce and Industry provided not only professional qualification of the entrepreneurs, but also the development of the international cooperation, whose aim is to provide local entrepreneurs with various opportunities for finding new business

partners from abroad; promoting local businesses which has become even more necessary in terms of the current global economic crisis. Thus, the Chamber of Commerce and Industry of Moldova took an active part in the organization of various exhibitions such as "Moldova presents" in Austria, Switzerland, Germany, Greece, Romania and the USA. The organization of these events was possible due to the effective and efficient collaboration with the Ministry of Economy and Trade and MIEPO.

At the same time CCI organized different economic missions, forums, as well as presentations of the local companies abroad and of foreign companies established in the Republic of Moldova. During these presentations foreign entrepreneurs were informed about the economic situation, investment climate, and economic fields of major strategic importance for our country. Presentation of businesses and their products were made during bilateral meeting that were organized. It is also worth to mention that the organized wine tasting was highly appreciated by the participants.

Overall, The Department of Foreign Relations and International Co-operation of CCI organized 10 economic missions abroad and 7 business forums within the country. About 130 companies took part in these events abroad and 500 representatives of the Moldovan businesses had a chance to initiate new partnerships with foreign entrepreneurs who came to visit our country.

This year, during the exhibition "Made in Moldova", for the first time the International Investment Forum "Investments-Partnership-Development" was organized, which brought together the representatives of various business fields from 7 countries. The geographic area of the events organized by the Chamber of Commerce and Industry of the Republic of Moldova encompassed such countries as: Austria, Belarus, Czech Republic, China, Switzerland, Germany, Greece, Romania, the US, Turkey, Ukraine. The entrepreneurs participating at these events are those who work in the priority fields of the national economy, and their awareness of taking over new markets is obvious.

As usually, the contest "Trade Mark of the Year" is very successful among different economic agents, because it is organized at a high professional level. During all those 6 editions, the contest offered participants the possibility of analyzing the experien-



ce of the creation and promotion of the commercial brands, the possibility of evaluating the leaders and estimating the dynamics of the consumer behavior. Thus, in the last years, the Contest "Trade Mark of the Year" has become an indispensable part of the business life. Winners of the Grand Prix "Gold Mercury" are proud that they are the ones who won this prize, because it proves the efficiency of their marketing strategies, being at the same time a significant way of promotion on the local as well as on the foreign market.

Chamber of Commerce and Industry of Moldova will continue organizing various economic activities and will take all the necessary measures in providing support and development for the business environment of the Republic of Moldova. ■

Perspectives of local manufactured goods in the following 10 years



*Ludmila NEGRUJA
General Manager,
Viorica Cosmetic*

JSC "Viorica-Cosmetic" was founded in 1989, more than 20 years it is one of the largest enterprise of producing and commercialization of perfumery and cosmetic products from the Republic of Moldova.

The idea of factory's creation came in the 70's year, so that on 12th of May 1989 the enterprise was officially opened, which till today successfully operates and develop, this is a enterprise which enjoy the consumers with high quality cosmetic and perfumery products.

The company is unique for many reasons. Firstly, it is the last factory built in the USSR. Secondly, it is built on the model of French factory «Dior». From the first days of its existence JSC "Viorica-Cosmetic" manufactures products that harmoniously combine inspiration and generosity of nature with the most advanced technologies. Due to this fact, the products of JSC "Viorica-Cosmetic" keep their individuality and are widely demanded on the market. Now the range of products includes over 240 names of products, but it is not a limit, because JSC "Viorica-Cosmetic" it is not only a manufacturer of cosmetic and perfumery products, also it is a creator of new types of products, which are elaborated in own laboratory using new scientific researches from this field.

Cosmetologists and perfumers of our company together with the specialists from world known cosmetics – perfumery companies develop new kinds

of products on the basis of local natural raw materials: vegetable and animal fats, extract of medical herbs and plants, essential oils. In the microbiological laboratory of J.S.C. "Viorica – Cosmetic" there are tasted and examined not only the purity of raw materials but also the quality of the final products. The Laboratory of Chemical-technological Control is accredited to make quality control of all import products coming to Moldavian market. All the products from J.S.C. "Viorica – Cosmetic" are clinically tested and approved by the Ministry of Health of Moldova, Russia, Romania and Ukraine.

Taking into consideration current market conditions, the specialists of factory "Viorica-Cosmetic" have felt the urgent need to revise the assortment of its produced goods. That is why, relying on the results of consumers survey and guided by marketing law which asserts: "You have to produce goods that are sold out but not sell the goods that are produced!", there have been decided to introduce some changes in the recipe of the produced goods. Because, basically, each buyer pays firstly for usefulness and value of consumption. Considering the permanent and the more intense control of the quality of the production, especially after the introduction of Quality Management System ISO 9001:2000, as well as the permanent renewal of the assortment, improvement of the recipes and design, we can talk with confidence about a perspective of growth of proportion of consumption of perfumery and cosmetics goods that are produced in Moldova not only on the local market but also on the external one. Our products are exported in non-CIS countries as well as in CIS ones: including Germany, Serbia, Romania, Belarus, Ukraine, Russia. On the local market, "Viorica-Cosmetic" JSC is presented by its own network of brand stores from all over the country and by its distributors. Only by using both world scientific achievements and our own developments, as well as raw material of world leading companies and natural vegetal extracts obtained in our country, make our products to match the international standards and modern trends of the market.

I think that in the next 10 years "Viorica-Cosmetic" JSC following the chosen strategy will get to change the minds of consumers and will place its products on an absolutely new level. In this way in 2008 the company launched two absolutely new brands: "VioCelle" and "Cosmeplant", as well as the renewed series "Flovio Spa" which includes goods of a higher level and which pleasantly surprised and are going to surprise further

the buyers not only with usefulness and value of the natural components, but also with the attractive design and affordable prices.

J.S.C. "Viorica – Cosmetic" for long time has an unchangeable strategy: "Optimal correlation

between the price and the quality". It is considered that the best perfumery and cosmetics producers belongs from France, which has developed over 300 years this area, that is why our main task for the near future is to prove that in shorter period it is possible to reach perfection. ■

News from Members

Trans Oil: Moldova obtained direct access to international markets of agricultural products.

The Republic of Moldova exports more than 500 thousand MT of grain per year. The majority of its export is performed via the transit ports of the Ukraine and Romania since until recently there was no access to water transportation routes, which would connect the Republic of Moldova to the grain and agricultural products markets.

The construction of the most modern terminal for storage, processing and transshipment of grain commodity commenced in 2006 on Danube river. The construction project developed in the most difficult circumstances due to the absolute unsuitability of the landscape to this kind of premises.

As from the 24th of July 2009 the Republic of Moldova received the first and the largest terminal on Danube river for processing and exportation of grain commodity.

The terminal is built on basis of the equipment of GSI International company – the world leader in production of this kind of equipment. The terminal has the capacity to simultaneously receive and load onto water transportation means up to 3000 MT of grain per day. The storage volume enables storage of up to 50 thousand MT of grain, if such necessity would ever occur. The depth of its berth is 6.5 meters which allows shipment of both river and maritime vessels with a capacity of up to 7000 MT, which subsequently would permit exporting our products as far as the ports of the Northern Europe (i.e. Amsterdam, Liverpool, etc).

The favorable location of the terminal on Danube river and accessibility of railroad transportation allows the terminal to receive transit cargo from the Ukraine, the Russian Federation, Kazakhstan, for further exportation to countries of the Mediterranean sea market. The terminal is also suitable for importation of grain commodity in case of such necessity, and is capable to receive from water transportation means up to 2000 MT of grain per day.

The uniqueness of the terminal consists in its multifunctionalism, modern equipment and favorable geographical location.

Horizon Capital sells its Natur Bravo Investment

Horizon Capital, a leading private equity fund manager, announced on September 17, that it has successfully sold its controlling stake in Natur Bravo, the largest fruit and vegetable processor in Moldova to a group of European private investors. Horizon Capital was supported in this transaction by Golden Gate Business, a Ukrainian M&A boutique firm.

Natur Bravo was owned by Emerging Europe Growth Fund, LP, one of the three funds managed by Horizon Capital in the region. This is the second full exit in the EEGF portfolio since the fund closed to new investors in February 2007. Horizon Capital had worked with Natur Bravo to expand its product assortment, attract a high quality management team, improve the company's business strategy.

Commenting on the divestment, Iryna Starodubova, Horizon Capital Partner, said: "Natur Bravo has been a successful investment for EEGF, and we are very pleased to see such a profitable exit during these economically challenging times. Natur Bravo has made outstanding progress in the marketplace over the past few years and will certainly continue to do so."

Horizon Capital is a private equity fund manager that originates and manages investments in mid-cap companies with outstanding growth and profit potential in Ukraine, Moldova and Belarus.

Natur Bravo is the largest fruit and vegetable processor in the Republic of Moldova. The company's production facilities are located in two regions, Cupcini and Floresti. Natur Bravo operates in several key segments such as canned vegetables and fruits, and apple concentrate.

Golden Gate Business is a premier Ukrainian M&A advisory firm with proven execution capabilities. The firm provides high quality financial advice and execution expertise in M&A transactions and principal investments. Golden Gate Business works with dedication and senior-level commitment to help clients to achieve their strategic objectives and enhance value of their businesses.



Industria de confecții din Moldova: Producerea în lohn vs Marca proprie



Maria Gheorghiuță,
Phd. Asociate Profesor,
Technical University of Moldova,
Textile/Apparel Advisor, CEED Project

În Republica Moldova industria de confecții îmbrăcăminte a cunoscut pe parcursul ultimilor 10 ani o dezvoltare destul de spectaculoasă. Astfel volumul producției a sporit de la 163,1 mil. lei în anul 2000 până la 897,2 mil. lei în anul 2007 sau de mai mult de 5,5 ori. Aceasta a fost condiționat de mai mulți factori principali dintre care au fost:

- creșterea cererii pentru serviciile de confecționare a articolelor de vestimentație drept urmare a percepției Moldovei de către beneficiarii serviciilor Lohn (C&M) drept o sursă de forță de muncă calitativă și ieftină;

- costuri de intrare în ramură comparativ joase (antreprenorii autohtoni au perceput ramura ca fiind una care necesită investiții modeste);

Dar situația care s-a conturat în perioada de criza economică pe piața europeană a confecțiilor de îmbrăcăminte în anul 2008 a condiționat anumite modificări structurale la nivelul cumpărătorilor. Astăzi se solicită articole de confecții îmbrăcăminte tot mai ieftine, dar de calitate tot mai înaltă. Cu toate că vânzătorii de confecții au început să se racordeze la cerințele consumatorilor Europeni, volumul vânzării articolelor de confecții îmbrăcăminte în Uniunea Europeană s-a redus cu cca. 5-7%, ceea ce îi orientează pe producătorii extracomunitari spre căutarea reamplasării producerii în țări unde există forță de muncă mai multă și mai ieftină, cum ar fi spre exemplu China. Acest fapt s-a resimțit deja în industria de confecții a republicii, care în anul 2008 a cunoscut o reducere a volumului de producție cu cca. 29,2%, reducere care

s-a păstrat și pe parcursul anului 2009.

Faptul că cumpărătorii europeni solicită tot mai mult articole de confecții îmbrăcăminte calitative, la modă, și destul de ieftine a condiționat schimbări esențiale și în modelul de producere și comercializare a articolelor de confecții pentru a menține marjele de profit înalte. Clienții europeni astăzi sunt tot mai mult în căutarea serviciilor nu doar de croire-confecționare (C&M), așa cum o preferau mai înainte, ci a unor servicii mai ample, cum ar fi Pachet Complet (FOB) sau Pachetul Marca Privată (Private Label), servicii care la etapa actuală nu se prestează de nici o fabrică de confecții din republică. Aceste servicii permit fabricilor de confecții să acapareze valoare adăugată (costul forței de muncă, uzura, profitul și impozitele) mai înaltă, dar totodată necesită transformări esențiale, deoarece fabricile de confecții vor fi implicate în acoperirea mai multor verigi ale lanțului valoric.

În figura de mai jos este reflectat lanțul valoric pentru producerea și comercializarea articolelor de confecții îmbrăcăminte.

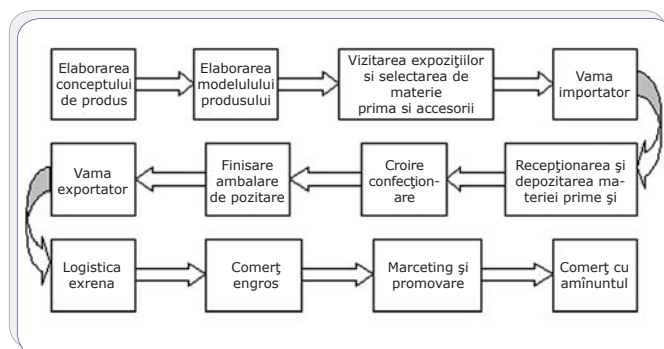


Fig. 1 Lanțul valoric pentru producerea și comercializarea articolelor de confecții

La baza acestui lanț valoric stă comerțul - canalele de distribuție a produselor finite, care actualmente la nivelul Uniunii Europene a devenit de orientare spre concentrarea comerțului cu amănuntul în rețele de desfacere specializate, cu impact asupra comerșanților independenți, chiar dacă respectiva concentrare diferă de la o țară la alta.

Canalele de distribuție între statele membre ale Uniunii Europene sunt foarte diferite: în Germania predomină detaiștii independenți, în Marea Britanie există o concentrație ridicată a distribuției, în statele sudice, ca Portugalia, Italia și Spania - detaiștii independenți, care cumpără de la producători și angrosiști, au o cotă de piață mai ridicată, în Franța - predomină comerțul prin lanțul de magazine hiper- și supermarketuri nespecializate.

Indiferent de canalul de comercializare, dețină-

torii de mărci comerciale sunt acei care urmăresc tendințele în domeniul modei, elaborează conceptul produsului și-l oferă clientului. Ei sunt acei cărora le aparțin primele și ultimele verigi ale lanțului valoric: verigile 1-2 și 10-12, verigi care asigură cea mai înaltă valoare adăugată.

Detailiștii independenți, deținători de mărci comerciale, de sinestătător cumpără articolele de confecții îmbrăcăminte de la producători sau angrosiști, pe când rețelele de distribuție cumpără doar de la angrosiști, care, un unele cazuri, sunt și ei deținători de mărci comerciale, deci se preocupă de elaborarea conceptului și modelului produsului, aprovizionarea materiei prime și accesoriilor și comandarea producerii articolelor de confecții îmbrăcăminte.

Dat fiind faptul că practic toate fabricile de confecții din Republica Moldova sunt specializate doar în prestarea serviciilor de croire - confecționare (C&M), înseamnă ca clientul străin (fie angrosist sau detailist) livrează documentația tehnico-tehnologică a produsului, materia primă și accesoriile necesare, iar întreprinderea de confecții din Moldova recepționează și depozitează materia primă și accesoriile livrate de client, prestează serviciile de croire-confecționare, finisare-ambalare în conformitate cu prevederile documentației tehnico-tehnologice, depozitează și livrează către client produsul finit, poarta responsabilitate și pentru efectuarea serviciilor vamale la export. Cu alte cuvinte spus, întreprinderile de confecții autohtone actualmente acoperă doar câteva din verigile lanțului valoric (verigile 4-8), verigi care necesita, în primul rând, manoperă multă și puțin calificată, și care asigură cea mai redusă valoare adăugată.

Astfel, valoarea adăugată majoră revine comerșanților individuali și angrosiștilor. Aceasta poate fi demonstrat prin informația privitor la distribuirea valorii adăugate pe verigile lanțului valoric a producerii și comercializării articolelor de confecții îmbrăcăminte care este prezentată în tabelul 2.

Articole de cheltuieli	Euro	%
Materia primă (stofa)	18	11,3%
Accesorii	8	5,0%
Serviciile de confecționare (servicii CM)	12	7,5%
Costul produsului	38	23,9%
Marja angrosistului	28	17,6%
Prețul angrosistului	66	41,5%
Marja magazinului cu amănuntul	67,5	42,5%
Taxa pe valoarea adăugată (TVA)	25,5	16,0%
Prețul magazinului cu amănuntul	159	100%

După cum se observă ponderea serviciilor de croire-confecționare constituie doar 7,5% în valoarea totală a produsului, pe când ponderea angrosistului constituie 17,5% iar a detailistului – 42,1%. Valoarea adăugată pentru o pereche de pantaloni bărbați constituie 107,5 Euro (serviciile C&M, marja angro-

sistului, marja magazinului cu amănuntul). Ponderele serviciilor lohn constituie 11,2% , deținătorului de marcă proprie (angrosistului) îi revine 26% iar deținătorului de marcă privată – 62,8%. Astfel, valoarea adăugată a prestatorului de servicii lohn (C&M) este de 2,2 ori mai redusă față de sistemul Private Label și de 5,3 ori mai redusă decât în cazul utilizării sistemului Own Label, sistem când există un brand care este deja cunoscut clienților.

Criza economică care a condiționat reducerea volumului de vânzări a articolelor de confecții îmbrăcăminte pe piața Uniunii Europene îi impune pe clienții străini să caute rezerve pentru minimizarea costului articolelor de confecții pentru a putea menține marjele încă favorabile pentru ei. Conștienți de faptul că costul forței de muncă calificată, cum ar fi personalul care se preocupă de design și de aprovizionare, este mai redus în țările în curs de dezvoltare, ei caută la etapa actuală întreprinderi în aceste țări care ar fi gata să treacă la alte sisteme de cooperare, mai cu seamă la sistemul FOB sau Private Label. Deci astăzi există oportunități pentru întreprinderile de confecții moldovenești de a trece de la sistemul Lohn la alte sisteme care le-ar asigura nu doar numai valoare adăugată mai înaltă, ci și o profitabilitate mai înaltă. Calculele au demonstrat că trecerea la sistemul Pachet Complet va contribui la mărirea profitului întreprinderilor de confecții în mediu de 1,3 ori, iar trecerea la sistemul Marca Privată – de cca. 2,3 ori.

Trecerea de la sistemul lohn la alte sisteme de cooperare cu clienții străini impune întreprinderilor de confecții modificarea structurilor organizatorice existente, recrutarea, selectarea și angajarea personalului cu cunoștințe și abilități în domeniul aprovizionării, designului, creării colecțiilor, crearea bibliotecii de materii prime și accesorii, vizitarea expozițiilor de materii prime și accesorii, formarea bazei de date a furnizorilor de materie primă, finanțarea ca-

Tabelul 2. Structura prețului pentru o pereche de pantaloni bărbați

Remarcă: * - angrosistul este deținătorul de marcă privată (marja lui include elaborarea produsului)
** - detailistul este deținătorul de marcă proprie (brand), marja lui include elaborarea produsului, investiții în promovarea brandului.

pitalului de lucru, procurarea și implementarea sistemelor de proiectare CAD etc.

În tabelul de mai jos este prezentată caracteristica fiecărui sistem de cooperare, precum și factorii care sunt deținuți de către clientul străin și prestatorii de servicii.

Tabelul 1. Caracteristica schemelor de lucru în domeniul confecțiilor îmbrăcăminte

Denumirea sistemului	Clientul străin	Furnizorul de servicii
<i>Sistemul C&M</i> cunoscut și ca sistemul Lohn sau regimul vamal de perfecționare activă. Prevede producerea propriu zisa (croire, coasere), finisarea (tratamentul umido-termic), ambalarea, depozitarea și livrarea către client, inclusiv serviciile vamale la export.	<ul style="list-style-type: none"> - Deține know how - Caută prețuri mici - Elaborează conceptul de produs și realizează modelul - Poseda capacitatea de furnizare a materiei prime și accesoriilor - Ca regulă este intermediar în lanțul valoric - Ușor poate schimba furnizorul de servicii dacă are oferte de preț mai redus. 	<ul style="list-style-type: none"> - Deține doar resurse de producere - Vinde capacitatea de producere la un preț competitiv - Oferă servicii: producere calitativă, livrări punctuale
<i>Sistemul CMT</i> , care include suplimentar față de sistemul CM aprovizionarea cu accesorii și cu ambalaj: nasturi, ață, elastic, cutii de carton, etichete, pungi, etc.		
<i>Sistemul FOB</i> (full bussiness – pachet deplin). Prestatorul de servicii se preocupă de aprovizionarea materiei prime, accesoriilor necesare, de producerea propriu zisa a mărfii și de livrarea ei la destinația indicată de client. În unele cazuri clientul indică de unde se poate achiziționa materia primă și accesorii, iar uneori chiar negociază prețurile în numele producătorului.	<ul style="list-style-type: none"> - Caută capacități de producere și de aprovizionare - reprezintă clusterul retail și intermediarii - are avantaj financiar datorită costurilor de aprovizionare mai reduse. 	<ul style="list-style-type: none"> - vând capacitatea de producere și de aprovizionare (cunoștințe și abilități de aprovizionare) - oferă servicii: furnizarea materiei prime și a accesoriilor - efectuează producere calitativă, livrări punctuale - necesită resurse financiare pentru crearea capitalului de lucru.
<i>Sistemul Private label</i> (marca privată). Acest sistem implica suplimentar elaborarea produsului (designul și documentația tehnică), aprovizionarea cu materie primă, producerea propriu-zisă.	<ul style="list-style-type: none"> - Oferă ideile de design - Caută servicii de elaborare a produsului - Reprezintă clusterul retail 	<ul style="list-style-type: none"> - Vinde servicii de design, aprovizionare și de producere - Oferă servicii: design, aprovizionarea cu materiale, producere calitativă, livrări punctuale - Necesită resurse umane cu cunoștințe și abilități de design și aprovizionare - necesită resurse financiare pentru crearea capitalului de lucru.

Pentru implementarea unui nou sistem de cooperare va fi nevoie de un buget anual care va varia între 1,2-1,5 mil. lei, dar care ar asigura și creșterea profitabilității întreprinderii de cel puțin 2 ori.

Iată de ce una din direcțiile importante de activitate a Proiectului Creșterea Competitivității și Dezvoltării Întreprinderilor (CEED), finanțat de către USAID a fost și rămâne acordarea asistenței întreprinderilor de confecții de a trece la alte scheme de cooperare. Pe parcursul a patru ani Proiectul CEED a acordat asistență la 12 întreprinderi care actualmente produc și comercializează articole de confecții îmbrăcăminte sub marca proprie. Asistența a fost acordată în mod complex și continuu începând de la cercetarea de piață și selectarea segmentului de piață potrivit pentru întreprindere, apoi crearea stilului corporativ (elaborarea brand bookului) care să corespundă segmentului de piață, elaborarea și implementarea strategiei de marketing, instruire în domeniul managementului brandului și managementului formării sortimentului, crearea colecțiilor proprii, participare la expoziții internaționale. Actualmente Proiectul CEED conlucrează destul de intensiv cu două întreprinderi: MEP NV în Belgia (Moldovan Export Platform) care are ca scop facilitarea exportului articolelor de confecții din Moldova în Uniunea Europeană (căutarea, contractarea clienților și livrarea produselor la depozitele acestora) și cu MEP sourcing SRL în Moldova, întreprindere care a fost creată și înregistrată pentru

a conlucra cu întreprinderile moldovenești pentru a produce articolele de confecții solicitate de către clienții europeni. Aceste două întreprinderi reprezintă „o punte” pentru colaborarea dintre clienții europeni și întreprinderile de confecții din Moldova. În luna octombrie cu asistența Proiectului CEED, primele 7 întreprinderi moldovenești vor participa sub umbrela MEP la expoziția INTERSELECTION din Paris unde își vor expune colecțiile proprii. Pentru a elabora corect colecțiile proprii CEED a organizat în august un training pentru designerii din întreprinderile moldovenești care a fost ținut de către Rimvydas Birstonas (Marea Britanie), designer a hainelor de modă pentru dame și bărbați de comun cu Gie Van Cauteren (Belgia), specialist în marketing și vânzări a articolelor de confecții îmbrăcăminte.

În concluzie dorim să menționăm că criza economică din Europa a creat anumite oportunități pentru întreprinderile de confecții moldovenești pentru a trece la alte scheme de cooperare cu clienții străini care vor permite crea valorii adăugate și profitabilității mai înalte. Doar acele întreprinderi care se vor racorda la cerințele actuale și vor începe transformările necesare vor reuși nu numai să supraviețuiască în condițiile de criză, dar vor capta și o valoare adăugată, inclusiv profitabilitate mai înaltă.

Proiectul CEED va continua asistența întreprinderilor de confecții în acest domeniu. ■

➔ **Moldova exported 34.4 thousand tones of ecologically clean agricultural production in 2008**

The most part of the ecologically clean production is exported by Moldova to Germany, Italy, Austria, Poland, Spain and other countries. // *InfoMarket.*

➔ **Moldova supplied wine production worth \$10 million to the European Union market in the first half of 2009, down 17% against the same period last year**

Agro-industrial agency Moldova-Vin informed that Poland had been the largest importer of Moldovan alcoholic production among the EU states purchasing it in the amount of \$4.2 million (down 11% against the same period 2008). The second and third places were taken by Germany and Romania that purchased Moldovan wine production in the amount of \$1.5 million and \$1.4 million, respectively. At the same time, Germany increased Moldovan alcohol import in the first half of 2009 by 76%, while Romania reduced by 51%. The Czech Republic was also among the largest importers of Moldovan wines and cognacs purchasing wine production in the amount of \$1.3 million from Moldova in January-June of this year or 6% less than for the same period of 2008. // *InfoMarket.*

➔ **The Moldovan Steel Works reduced production export by 75.7% in January-July 2009 in comparison with the same period last year**

The Ministry of Reintegration of Moldova informed that metallurgic production export declared by the Moldovan Steel Works at the Customs Service of Moldova in January-July 2009 made up 41.4% of the total export from the region in the reporting period. About 53.3% of the total export of metallurgic production made at the Moldovan Steel Works fell to the share of CIS states, mostly, Russia and Ukraine. The Moldovan Steel Works has reduced production and export of metal production this year due to the fall in demand and prices on the world market. In 2008 in comparison with the year of 2007, the works rose metal production export by 24.1% to \$529.1 million. // *InfoMarket.*

➔ **Moldovan scientists obtained a new bio-product from wine yeast sediment**

According to the head of the press service of the Academy of Science of Moldova (ASM) Tatiana Rotaru, the yeast wine sediments represent valuable raw materials for obtaining a wide range of food and pharmaceutical products: bio-concentrates of B and D groups' vitamins, carbohydrates and proteins rich in indispensable amino acids as well as other bioactive substances. The study carried out by scientists of the ASM's Microbiology and Biotechnology Institute ended up with the development of the wine yeast sediments processing method and getting of a patent for the vitamin-protein medicine Prolevin containing a synergy set of bioactive substances. // *InfoMarket.*

➔ **The average prices of agricultural production sale by Moldova's agricultural enterprises went down by 46% in the first half of 2009 in comparison with the same period last year.**

According to the National Statistics Bureau, prices of plant production sale were reduced by 58.5%. The fall in prices for wheat was most crucial - by 66.4%, for maize - by 62%, sunflower - 57.2%, vegetables - by 45.9%, fruit and berries - by 42.3%. Prices of animal production sale were decreased by 12.1%. In particular, prices for dietical eggs went down by 28.7%, milk and poultry - by 13.1%. At the same time, prices of live cattle grew considerably including prices for cattle - by 18.4%, sheep and goats - by 11.5%, pigs - by 9.8%. // *InfoMarket.*

➔ **Moldovan export -import in January-July 2009**

In January-July 2009 the volume of Moldovan export made \$692,2 mln., 22,1% decrease as compared to the same period of 2008. The volume of export to the CIS countries made \$250,7 mln., 26,6% decrease. Moldovan export to the EU countries decreased by 19,2% - to \$376,5 mln. The volume of import to Moldova in January-July 2009 made \$1 bln. 762,6 mln., 36,6% decrease as compared to the same period of 2008. Import to Moldova from the CIS countries decreased by 34% - to \$642 mln., while from the EU countries - by 38,5% - to \$758,9 mln. // *InfoMarket.*

MOLDOVAN LEGAL NEWSLETTER



THE COUNTRY

For the First Time in Eight Years the Party of Communists will Hold Less than Half of Parliamentary Mandates

Following the new parliamentary elections held on 29 July 2009, the 101-member Moldovan Parliament will now have **48 communist** parliamentarians and **53 non-communist** ones (representing four political parties). The Moldovan Party of Communists continues to be the single most supported party, having been promoted by a vote of 44.69% of electors. The number two party has acquired only 16.57%, although in the overall, for the first time in eight years the Party of Communists fails to secure the support of the majority of voters. Not having a parliamentary majority means many things, and it also means that the Party of Communists may no longer block the election of the Speaker of the Parliament and approval of the new Cabinet (except that it is the current President who must propose the Prime Minister). However the next President of Moldova cannot be elected without the votes of the Communist Party of Communists parliamentarians, as a majority of 61 mandates shall be required to appoint the next President. Failure to reach a compromise could mean a stronger and more lasting political crisis for Moldova, so that everyone is hoping that politicians will agree on the fundamental principles of cohabitation for the next four years and will move forward with economic reform, EU accession and other much awaited and important issues.

LEGAL NEWS

New ANRCETI Decision to Implement the 2007 Electronic Communications Law

The National Agency for Regulation of Electronic Communications and Informational Technology (the "**ANRCETI**") has adopted a Decision on establishing the categories of radio frequencies which are exempted from the general authorization regime and which do not require obtaining a special license or a technical permit. This regulatory decision came into force on 19 June 2009. The purpose of ANRCETI's Decision is to ensure the rational management of radio frequencies in accordance with the European standards, and the provisions of this Decision corresponds to the Recommendation 70-03, approved within the European Conference of Postal and Telecommunications Administrations (CEPT).

The ANRCETI's Decision establishes 13 categories of frequencies which can be used in Moldova by the holders of certified short range devices, without having to first obtain a special authorization or license to this end. However, the individuals who intend to use short range devices in order to provide public services to other persons will have to obtain a general authorization from ANRCETI.

Want to learn more? Contact Marin.Chicu@TurcanLaw.md

Expedited Out-of-Court Liquidation of Insolvent Banks

The Law on Financial Institutions was amended with the new provisions related to the procedure of forced liquidation of banks effective from 19 June 2009. Pursuant to the enacted amendments, the chief executive officer of a bank shall immediately notify the National Bank of Moldova if the bank becomes insolvent or over-indebted, or if there is a risk that it will become insolvent. When a risk exists for the bank to substantially lose its assets or to substantially harm the interest of its customers, the National Bank of Moldova is entitled to appoint an insolvency administrator for the liquidation of the bank even without an insolvency filing having been made with the relevant court.

The Law has been completed with a new chapter setting out the detailed procedure and terms on forced liquidation of the bank whose license was withdrawn as a result of insolvency and illegal actions of the bank. It also regulates the requirements for the insolvency administrator, his competence, liability and reporting obligations to the National Bank of Moldova after all assets of the bank subject of liquidation are distributed. Within three (3) days from appointment, the insolvency administrator is bound to make public notice in the Official Gazette, in the local press and in all branches of the bank about the withdrawal of the license and liquidation of the bank, also informing of the name of insolvency administrator, and of the date and place of taking over the bank's administration.

We note that on the date of entry into force of these amendments, the license of a small Moldovan bank Investprivatbank was withdrawn by the National Bank of Moldova according to the newly approved procedure. In order to protect depositors, the Moldovan Government decided that Banca de Economii S.A. (in which the Government holds a controlling stake) should acquire the assets and liabilities of the ailing Investprivatbank.

Want to learn more? Contact Iulia.Furtuna@TurcanLaw.md

New Regulation on Interconnection

ANRCETI has adopted the Decision on Identification of the List of Relevant Markets of Electronic Communications Networks and/or Services, in force as of 10 July 2009 (the "**Decision**"). This new Decision is necessary for due implementation of the Law on Electronic Communications (2007) that provides for a significant market power (SMP) regime, which is generally in line with the 3 steps of the EU's framework in this area: identification and definition of relevant markets, designation of SMP providers and imposition of remedies on such providers. In accordance with its Decision, the ANRCETI has identified 10 relevant service markets in the Republic of Moldova, of which there is 1 (one) retail, and 9 (nine) wholesale service markets.

ANRCETI has previously adopted the Regulation on Identification and Analysis of Relevant Markets and Designation of Providers with SMP that came into force in February 2009. Therefore, after adoption of the current Decision, the ANRCETI will be able to determine the providers with SMP and to impose on such providers specific regula-





tory remedies. Under the old legislative framework, certain providers on the fixed and mobile sectors were already determined in 2007 by the Moldovan competition authority as having dominant position (similar to SMP). Still, ANRCETI has to impose specific remedies, in particular on the incumbent fixed operator Moldtelecom S.A. (e.g. accounting separation).

Want to learn more? Contact Marin.Chicu@TurcanLaw.md

Provisory Limitation of High Tonnage Vehicles Movement

This summer is just so hot that the Moldovan asphalt is melting under heavy trucks. This is why on 23 June 2009 the Interior and Constructions Ministries have issued a joint Order No. 238/74 on provisory restriction of high tonnage vehicles movement (the "**Order**"). The Order prohibits the movement on the national roads of vehicles with a total weight of more than 20 metric tons, between 10:00 and 20:00 hours, when the air temperature is above 30°C. The restriction set out in the Order does not refer to vehicles which perform the carriage of passengers, of food and materials necessary to prevent the liquidation of exceptional situations.

Want to learn more? Contact Marina.Zanoga@TurcanLaw.md

Collective Bargaining Agreement in Construction for 2009-2013

The Ministry of the Construction and Territorial Development, the Federation of Patronage "CONDRUMAT" and Federation of Unions "SINDICOS" have concluded the Collective Bargaining Agreement for the Constructions Industry for years 2009-2013. Published in the Official Gazette dated 24 July 2009, this Agreement shall enter into force as of its registration with the Ministry of Economy and Trade, and shall be mandatory for all employers and employees operating in the following areas: engineering and constructions, roads, building materials industry, building mechanization and carriage, cadastre, glass industry and other related activities.

The main rules contained in the Agreement refer to the social partnership, human recourses, work and rest time and payment of the salaries, health protection, labor safety and professional training. In particular, requirements have been established for personnel recruitment; applicable guidelines upon employment of the foreign citizens; redundancy limitations; employees' benefits, such as additional leave or severance payment depending of work period, amount of the tariff rates for certain positions; social and labor protection. It is also regulated that the employer is bound to conduct gratuitous medical examinations and appropriate philological tests in order to verify if employees are able to work in constructions.

The collective bargaining agreements at company levels, individual employment contracts and internal regulations may not provide for work conditions that would be less favorable than those set out in the Agreement.

Want to learn more? Contact Iulia.Furtuna@TurcanLaw.md ■

WTO sees 9% global trade decline in 2009

The collapse in global demand brought on by the biggest economic downturn in decades will drive exports down by roughly 9% in volume terms in 2009, the biggest such contraction since the Second World War, WTO economists forecast today. The contraction in developed countries will be particularly severe with exports falling by 10% this year. In developing countries, which are far more dependent on trade for growth, exports will shrink by some 2%-3% in 2009, WTO economists say.

"For the last 30 years trade has been an ever increasing part of economic activity, with trade growth often outpacing gains in output. Production for many products is sourced around the world so there is a multiplier effect — as demand falls sharply overall, trade will fall even further. The depleted pool of funds available for trade finance has contributed to the significant decline in trade flows, in particular in developing countries," said Director-General Pascal Lamy.

A notable aspect of the current slowdown in world trade is its synchronized nature. Monthly exports and imports of major developed and developing economies have been falling in unison since September 2008. With the growing share of developing countries' trade in the global total, and increased geographical diversification of these flows, it was assumed by some commentators that a "decoupling" effect would have made developing countries less vulnerable to economic turmoil in developed countries.

Trade prospects for 2009

Trade prospects for 2009 are heavily conditioned by the financial crisis that began almost two years ago in the United States. The crisis intensified dramatically following the collapse of the Wall Street investment bank Lehman Brothers in September of last year, and the government-led rescue of a number of financial institutions in the United States and elsewhere. Turmoil in the financial sector and acute credit shortages spread inexorably to the real sector. Declining asset prices, faltering demand and falling production translated into dramatically reduced and in some cases negative production and trade growth in many countries. Trade has also been affected adversely by a sharp shrinkage in credit to finance imports and exports.

Since the recession began to take hold in the fourth quarter of 2008 there has been little cause for optimism in the outlook for trade in 2009.

The financial crisis has disrupted the normal functioning of the banking system and deprived firms and individuals of much-needed credit. Falling stock markets and housing prices have also administered negative shocks to wealth in the United States and elsewhere, making households unwilling to purchase durable goods such as automobiles while they attempt to rebuild their savings. Falling commodity prices, while a boon to consumers in importing countries, have also deprived oil-producing countries of export revenues.

Reasons for trade contraction

Trade growth data show declines that are larger than in past slow-downs. A number of factors may explain this.

One is that the fall-off in demand is more widespread than in the past, as all regions of the world economy are slowing at once.

A second reason for the magnitude of recent declines relates to the increasing presence of global supply chains in total trade. Trade contraction or expansion is no longer simply a question of changes in trade flows between a producing country and a consuming country — goods cross many frontiers during the production process and components in the final product are counted every time they cross a frontier. The only way of avoiding this effect — whose aggregate magnitude can only be guessed at on account of the absence of systematic information — would be to measure trade transactions on the basis of the value added at each stage of the production process. Since value-added, or the return to factors of production, is the real measure of income in the economy, and trade is a gross flow rather than a measure of income, it follows from the reasoning above that strong increases or decreases in trade flow numbers should not be interpreted as an accurate guide to what is actually happening to incomes and employment.

A third element in current conditions that is likely to contribute to the contraction of trade is a shortage of trade finance. This has clearly been a problem and it is receiving particular attention from international institutions and governments. A fourth factor that could contribute to trade contraction is protection. Any rises in protection will threaten the prospects for recovery and prolong the downturn. The risk of aggravated protectionism is rightly a source of concern going forward. //Business Briefing ■



India, ASEAN sign deal on free trade in goods

BANGKOK: India and the 10-country Southeast Asian bloc ASEAN signed a long-delayed free trade agreement on 13-th of August after more than six years of negotiations.

Thai and Indian officials said the Free Trade Agreement (FTA) would eliminate tariffs on products including electronics, chemicals, capital goods and textiles, that account for more than 80 per cent of total trade in goods between the two sides. Tariffs on those products would be reduced to zero between 2013 and 2016, according to a joint statement issued just before the signing ceremony. ASEAN groups Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam. // REUTERS

Japan emerges from recession

Japan has joined the growing number of major economies that are back in black. Japan's economy grew 3.7 percent on an annualized basis from April to June this year, the first time the world's second largest economy has seen positive growth in 15 months.

The announcement of preliminary figures by Japan's Cabinet Office comes after France and Germany surprised economists recently by posting 0.3 percent growth for the second quarter of the year. The news that Japan has rebounded - the hardest hit of the major economies because of its reliance on exports - gives economists cautious optimism that the worst of the global recession is over.

"The economy has seen a bottoming out of global demand, which has pushed out net exports ... especially in high-tech industries and basic materials, such as chemical, steel and so on because of Chinese demand," said Hiromichi Shirakawa, chief economist in Japan for Credit Suisse.

Japan's GDP grew just under 1 percent during the three-month period and trade increased 1.6 percent. The uptick marks the end of the worst recession in Japan since the end of World War II. Japan's GDP fell at a record pace during the January-March quarter, when GDP was 15.4 percent lower than the same time period last year.

The Japanese economy was buoyed by a historic ¥15 trillion (\$150 billion) stimulus package in May, which included unemployment benefits, aid to struggling companies, promotion of green industries and a variety of tax breaks.

"There are many times in the past when tax breaks and fiscal stimulus were offered and failed, but this time around, it worked," Shirakawa said.

Economists expect GDP to continue modest growth through the rest of the year, especially with an expected rebound in global auto sales this quarter. But whether the recovery can continue into the new year after the stimulus package runs its course remains a question. //CNN



Mexico favours Brazil trade pact

Mexico's President Felipe Calderon said he will propose a free trade agreement with Brazil. "Trade enriches economies," said Mr Calderon during a meeting of business leaders in Sao Paulo. The comments came as he embarked on a three day visit to Brazil, from the 15-th to the 17-th of August, 2009, for meeting President Luiz Inacio Lula da Silva and visiting oil firm Petrobras. Brazil and Mexico are Latin America's largest economies. Mexico already has trade deals with the US and Canada. "I offer to put the idea [of a trade agreement] out there before different industries, and political and social groups," said Mr Calderon. The two nations are responsible for around 70% of all economic activity in the region. Mexico's economy has been hard hit by the recession and more recently by swine flu. The US slowdown has meant less money is being sent home by migrant workers, and Mexican exports have fallen. Mexico sends 80% of its exports to the US, so has been particularly exposed to the US fall in consumer spending. //BBC

U.S. Chamber Awards 14 Chambers with Accreditation

The United States Chamber of Commerce on June 10, 2009, awarded 14 chambers with Accreditation for their sound policies, effective organizational procedures, and positive impact on their communities.

"Accreditation recognizes chambers for their high standards of practice, full accountability to members, and steadfast commitment to community," said Thomas J. Donohue, President and CEO, U.S. Chamber of Commerce. "We applaud these organizations for advancing these principles of free enterprise."

The only program of its kind in the country, U.S. Chamber Accreditation recognizes an organization for its quality programs, clear organizational procedures, and being a catalyst for positive action in their community. To achieve accreditation, a chamber must meet minimum standards in their operations and programs, including areas of governance, government affairs, and technology. This extensive self-review can take from three to six months to complete.

The U.S. Chamber is the world's largest business federation representing more than 3 million businesses and organizations of every size, sector, and region. [//uschamber.com](http://uschamber.com)

Tax Deferral has certainly been an issue that has been followed closely here in Washington throughout the past few weeks in August, 2009. Throughout his campaign, candidate Barack Obama threatened to raise taxes on "companies that ship jobs overseas" without ever specifying what exactly he meant. Recently, President Obama released some of the details of his proposed tax increases.

The president's proposal would significantly change the way U.S. multinationals are taxed on their foreign profits, and it is estimated that the change would increase taxes on these companies by more than \$200 billion over the next 10 years!

A big piece of this proposal, estimated to be worth \$60 billion, is designed to limit the ability of multinational companies to defer the income tax on profits earned abroad. This proposal, a variation of one offered by House Ways and Means Committee Chairman Charlie Rangel (D-NY) in 2007, changes the timing of when companies can deduct expenses on foreign income, forcing them to delay the deduction until the foreign income is repatriated, or brought back, to the United States. While on its face this proposal may seem to have some commonsense appeal, it must be evaluated in the historical context of what deferral is designed to do, why it exists in the code, and what impact on economic and job growth this limitation may cause.

If the United States is trying to disadvantage the competitiveness of U.S. companies in worldwide markets, impede U.S. economic growth, and cause considerable job losses, then proposals limiting or repealing deferral are the way to go. But if the aim is to keep U.S. companies competitive worldwide and spur economic growth, limiting or repealing deferral is not the answer. The Chamber is working hard to ensure this tax deferral proposal does not become law. [//uschamber.com](http://uschamber.com)

IMF warns on ending fiscal stimulus

The International Monetary Fund's chief economist described a "nascent" global recovery on 18-th of August 2009, but warned that US policymakers walked a tightrope in timing the end of the fiscal stimulus. Without a pick-up in external demand to the US – "central to any world recovery" – the stimulus could be maintained too long, adding an undesirable amount to the country's debt burden, or choked off too soon, putting the recovery at risk. If fiscal deficits were maintained for too long, he wrote, there could be "worries about US government bonds and the dollar... causing large capital flows from the United States. Dollar depreciation may take place, but in a disorderly fashion, leading to another episode of instability and high uncertainty, which could itself derail the recovery."

Japan, Germany and France returned to growth in the second quarter, according to economic data published in the last few days, while most economists think the US recession has ended or is coming to an end.

Germany's prospects for future growth brightened on Tuesday with the publication of confidence data from the ZEW institute, showing the highest level in more than three years.

"The turnaround will not be simple," said Mr Blanchard. "The crisis has left deep scars, which will affect both supply and demand for many years to come." He noted that the recovery would be too slow to check the rise in the unemployment rate in many countries, which is at 9.4 per cent the US and above 10 per cent in parts of Europe. [//Financial Times](http://Financial Times)

AmCham Moldova celebrated American values on USA Independence Day, July 4

The 233rd Anniversary of the USA Independence was celebrated in the Republic of Moldova by the American Chamber of Commerce in Moldova together with the U.S. Embassy Alumni Association, with the support of the U.S. Embassy in Moldova. Within the event, AmCham Moldova launched its new Social Project „Every Child Matters”.

The celebration of USA Independence Day was opened by H. E. Mr. Asif J. Chaudhry, USA Ambassador to Moldova.

The joyful atmosphere during the whole event was created by the contests and games with prizes for all the participants. „The 4th of July is one of the most important American holidays. It is our national holiday and represents all of the freedoms and ideals that America has worked to build, and fought to protect over the past 233 years. But the celebration also embodies many of the traditions and values that make up the American culture. The tradition of the 4th of July barbecue, when many Americans invite their friends, family and neighbors to share in the celebration, is an example of the American values of community. I think these are values that Americans share very closely with Moldovans, that is why we shared this celebration not only with other Americans here, but also with a large number of



our Moldovan friends and colleagues, and those from many other nations", John Maxemchuk, President of AmCham Moldova, said.

It became traditional to organize a Charity Lottery within the 4th of July Picnic. This year it was dedicated to the Social Project "Every Child Matters". Ticket sale in the amount of 9700 MDL were donated for the renovation of the postnatal rooms in the maternity hospital "Centrul Mamei si al Copilului" from Chisinau .

The celebration of U.S. Independence Day was organized at the Golf Club Centre and welcomed the presence of over 500 guests, among them members of AmCham Moldova, members of U.S. Embassy Alumni Association of Moldova, U.S. Embassy in Moldova representatives, Peace Corps' Volunteers, American expatriates, and many others.

Many thanks to all the Independence Day 2009 sponsors:

Event Sponsors: Vinăria Bostavan, Bere Chişinău, Coca-Cola, Diognysos –Mereni, McDonalds, Orhei-Vit, Vinăria Purcari

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AmCham signed "Global Partnership Agreement" with MIEPO

On August 17, 2009, American Chamber of Commerce in Moldova (AmCham) signed global partnership agreement with the Moldovan Investment and Export Promotion Organization (MIEPO) considering their common willingness to cooperate on specific economic development issues that are important for the Republic of Moldova.

The purpose of the agreement is to provide mutual support through an exchange of information and to implement different types of economic issues which are of great importance to the Republic of Moldova in general and the two respective organizations in particular. Also, the aim of the agreement is to establish a successful partnership between both organizations covering different spheres of cooperation such as: client referral mechanism, information exchange and the implementation of specific ad-hoc joint activities.

The key points of the agreement are:

- Participation in specific Export and Investment Promotion activities including Moldovan and foreign Trade Fairs, participation in incoming and outgoing export and investment business missions and par-

ticipation in export- and investment-related seminars, workshops and conferences;

- Participation in specific events and initiatives that aim at furthering and enabling export environment in Moldova such as conferences, roundtables and workshops;

- The exchange of information between AmCham and MIEPO considering different business development publications and organizational strategic or action plans;

- Organization of joint training events;

- Organization of joint export and/or investment-related seminars, workshops and events;

- Joint purchasing and sharing of specific (export and investment) business development publications;

- Cooperation on specific common publications.



OBAMA for the Big Change

To build a lasting foundation for America's economic prosperity and security, Barack Obama's team will organize around the core challenges facing Americans and their families — energy, health care, and education. By acting united, the obstacles that for too long have prevented real change on the critical issues that Americans face day in and day out, can be overcome. The time has come to leave behind the status quo and build support for real solutions to ensure that President Obama succeeds in fulfilling the promise of change.

Here is a couple of the problem areas and Obama's way of solutioning them:

I. Economy's Current Situation: President Obama inherited a terrible mess: a \$1.3 trillion deficit, two wars, rising unemployment and unprecedented crises in the banking system. The Obama Administration has worked tirelessly to address the immediate problems of rising unemployment, falling home prices and limping credit markets, while taking a longer view in laying a strong foundation for future economic growth that benefits all Americans.

Solutions:

- Get the economy back on track: President Obama signed legislation to jumpstart the economy, the American Recovery and Reinvestment Act, less than a month after his inauguration. The plan will save or create 3.5 million new jobs, make critical investments in infrastructure and give 95 percent of working Americans a tax cut.
- Fight the housing and financial crises: A new housing program has stabilized the market, preventing more foreclosures and helping millions more re-finance at historically low mortgage rates.
- Rebuild America's economy on a new, sustainable foundation: By making bold and wise investments in healthcare, energy and education, and restoring fiscal accountability to government spending, the costs for American families and businesses will be cut, good jobs that can't be shipped overseas will be created, the children of US will be given the education they need to be competitive in the global marketplace.

II. New Energy's current situation: The country that harnesses the power of clean, renewable energy will lead the 21st century. For too long, politicians in Washington have been beholden to special interests, but no longer. The new, responsible energy policy recognizes the relationship between energy, the environment, and the economy and leverages American ingenuity to put people back to work, fight global warming, increase energy independence and keep people safe.

Solutions:

- Chart a new energy future: President Obama has a comprehensive plan to chart a new energy future by embracing alternative and renewable energy, ending American's addiction to foreign oil, addressing the global climate crisis and creating millions of new jobs that can't be shipped overseas.
- Invest in clean, renewable energy: To achieve the goal of generating 25 percent of US's energy from renewable sources by 2025; unprecedented investments will be made in clean, renewable energy – solar, wind, biofuels, and geothermal power.
- Fight climate change: We will invest in energy efficiency and conservation, two sure-fire ways to decrease deadly pollution and drive down demand. And we will hold special interests accountable as we finally work to address climate change and its potentially catastrophic effects.

III. Foreign Policy

Solutions:

- Secure loose nuclear materials from terrorists: Obama and Biden will secure all loose nuclear materials in the world within four years, and will negotiate a verifiable global ban on the production of new nuclear weapons material to curb the spread of nuclear weapons.
- Barack Obama will pursue tough, direct diplomacy without preconditions to end the threat from Iran: Obama and Biden will present the Iranian regime with a clear choice. If Iran abandons its nuclear program and support for terrorism, they would offer incentives like membership in the World Trade Organization. If Iran continues its troubling behavior, Obama and Biden will step up our economic pressure and political isolation.
- Renew American diplomacy: Obama and Biden will renew American diplomacy to meet the challenges of the 21st century. They will rebuild the American alliances. And they would be willing to meet with all nations, friend and foe, to advance American interests. ■

A business that makes nothing
but money is a poor business.
- Henry Ford
~ Henry Ford

The background of the entire page is a faded, artistic representation of the Statue of Liberty on the left and the stars and stripes of the American flag on the right. The Statue of Liberty is shown from the waist up, holding the torch and tablet. The American flag's stars are prominent in the upper right quadrant.

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