

**AmCham Moldova**  
fighting for your business

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# METRIX

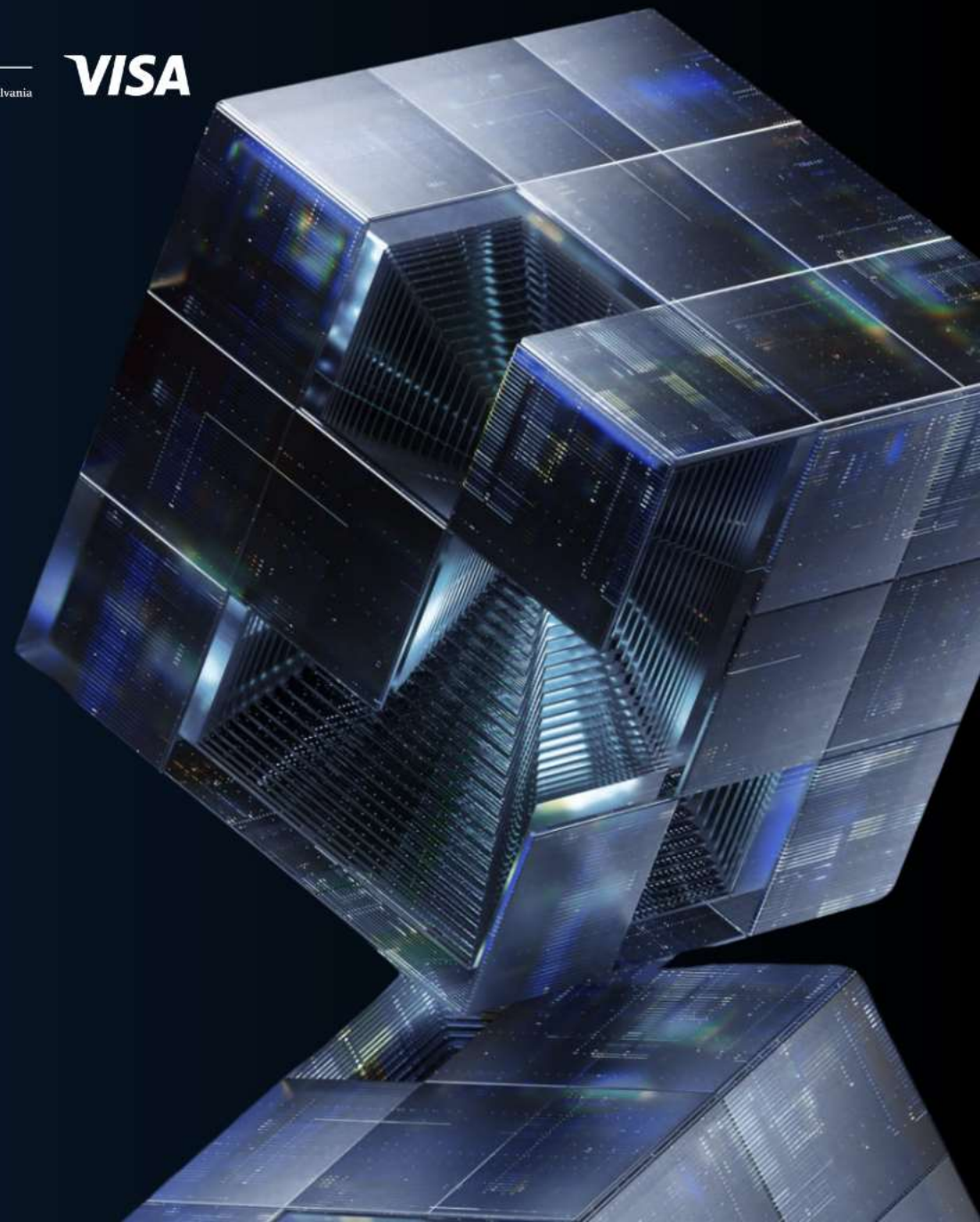
Moldovan Economic Transformation and Reform Index

April 2, 2025 | ArtCOR

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## About AmCham Moldova

For 19 years, AmCham Moldova has been one of the leading business associations in the country, advocating for both foreign and local investments in the Republic of Moldova.

The Association works closely with the Moldovan government to shape policies that foster a more favourable, transparent, and competitive business environment.

Through its initiatives, AmCham Moldova strives to improve public-private dialogue and create a more predictable regulatory landscape, essential for business growth and economic development.

Currently, there are more than 180 foreign and local companies, including American investors, operating in various sectors of the national economy.

## Components of the METRIX Index

### Component 1 : Business perception assessment

- A survey of nationwide statistically representative sample of companies evaluating the impact of policies and public administration in 10 critical areas, including taxation, labor, trade, energy, and more. This survey captures both current business sentiment and projections for the next 12 months, providing actionable insights into the state of Moldova's business climate.
- **Future policy forecasting**
  - A forward-looking component that anticipates economic developments in alignment with Moldova's EU integration goals. This is based on stakeholder consultations with AmCham members, government institutions, and economic researchers, helping to forecast trends and future challenges for the business community.

### Component 2 : Policy impact analysis

- A quantitative evaluation of Moldova's fiscal, trade, and labor policies using the Vector Auto-Regression (VAR) model. This model simulates how policy changes influence Moldova's business environment relative to peer countries, helping benchmark Moldova's competitiveness in the region.

### Methodology Validation

The METRIX methodology has been rigorously validated through discussions with international experts, academic communities, and public authorities. This collaborative process ensures that the methodology is robust, aligns with global best practices, and provides reliable insights into the Moldovan business environment.

# METRIX<sup>o</sup> survey methodology

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## Business Perception Assessment Survey

- **Sample**

- A total of 372 companies (304 in the national sample and 68 AmCham members).
- The national sample data was weighted based on region and size
- Data for AmCham members were not weighted.

- **Sampling Method**

- Probabilistic proportional sampling to cover all key economic sectors and business sizes.

- **Data Collection**

- Conducted through Computer-Assisted Telephone Interviewing (CATI).

- **Period**

- 19 February to 12 March 2025.

### Nationally representative proportional sample, N =304

	Total	Medium	Small	Micro
<b>Total</b>	<b>304</b>	<b>8</b>	<b>41</b>	<b>255</b>
Chisinau	183	3	23	157
North	44	1	9	34
Center	56	3	7	46
South	21	1	2	18

### AmCham members sample, N =68

	AmCham members
<b>Total</b>	<b>68</b>
Large	15
Medium	21
Small	16
Micro	16



# overall business conditions

- **Dominant response: Neutrality**
  - 44% of the general sample and 46% of AmCham members consider the business conditions to be neither good nor bad.
  - 31% and 40% of respondents rated the conditions as rather good and very good
- **Regional breakdown**
  - The majority of respondents in Chisinau (47%) are neutral, similar to those in the South (44%), while in the North the share drops to 36%.

## AmCham community highlights

### General growth

- A mix of moderate optimism and concerns related to political and economic developments.
- Cautious sentiment due to political uncertainty and bureaucratic hurdles.

### Sector diversification

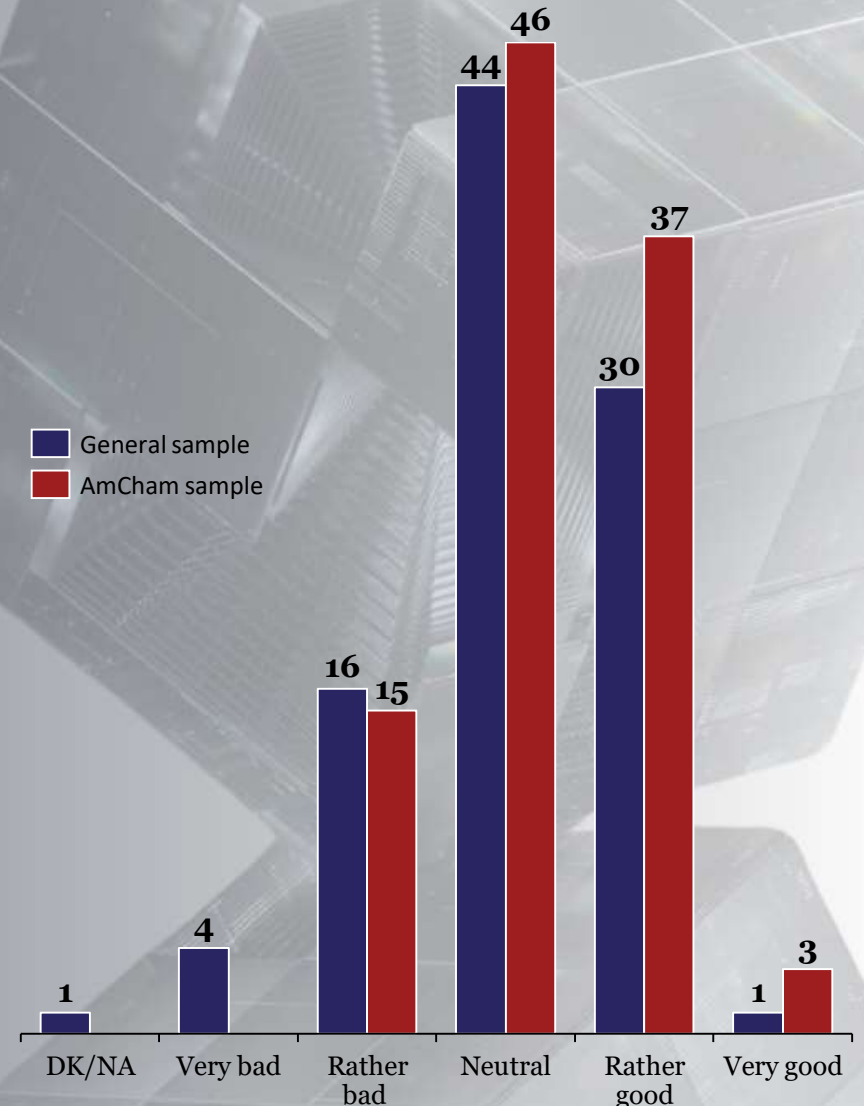
- While some industries (e.g., banking, BPO) show positive growth, others (healthcare, energy, construction) face challenges stemming from bureaucracy and uncertainty surrounding the government's vision.

### Economic environment (early 2025)

- The beginning of the year was marked by some difficulties.
- The Government is perceived as focusing more on social issues than on economic growth.

### Positive factors

- Institutional openness, European integration, and emerging projects in renewable energy and sustainability.



# METRIX EU integration | 6.1

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- **Dominant response: Positive**
  - Both the general sample and Amcham members view the impact of transposing EU regulations on their companies as somewhat or very positive (65% and 75%, respectively)
- **Regional breakdown**
  - 63% of respondents in Chisinau are somewhat or very positive, similar to the companies in the North (58%), while in the South the share increases to 71%

## AmCham community highlights

### European integration – overall sentiment

- Met with optimism, though recognized as complex; businesses see both potential and pressure.

### Public-private dialogue

- Frequent engagement with public institutions is a strong positive, helping businesses stay involved in the process.

### Regulatory pressure and uneven impact

- KYC/AML rules have resulted in client losses.
- Large companies manage better; smaller ones face real challenges.
- A "copy-paste" approach to EU law is discouraged.

### SMEs and compliance costs

- High costs of adopting EU standards like GDPR hit smaller firms hardest. Flexibility and support are needed.

### Sector-specific notes

- Banking: Regulation is manageable for large players but hard for smaller ones.
- Telecom: EU rules may reduce competitiveness.
- Renewables: Progress has been made, but sustainability and carbon tax rules remain unclear.

### Integration pace and transition periods

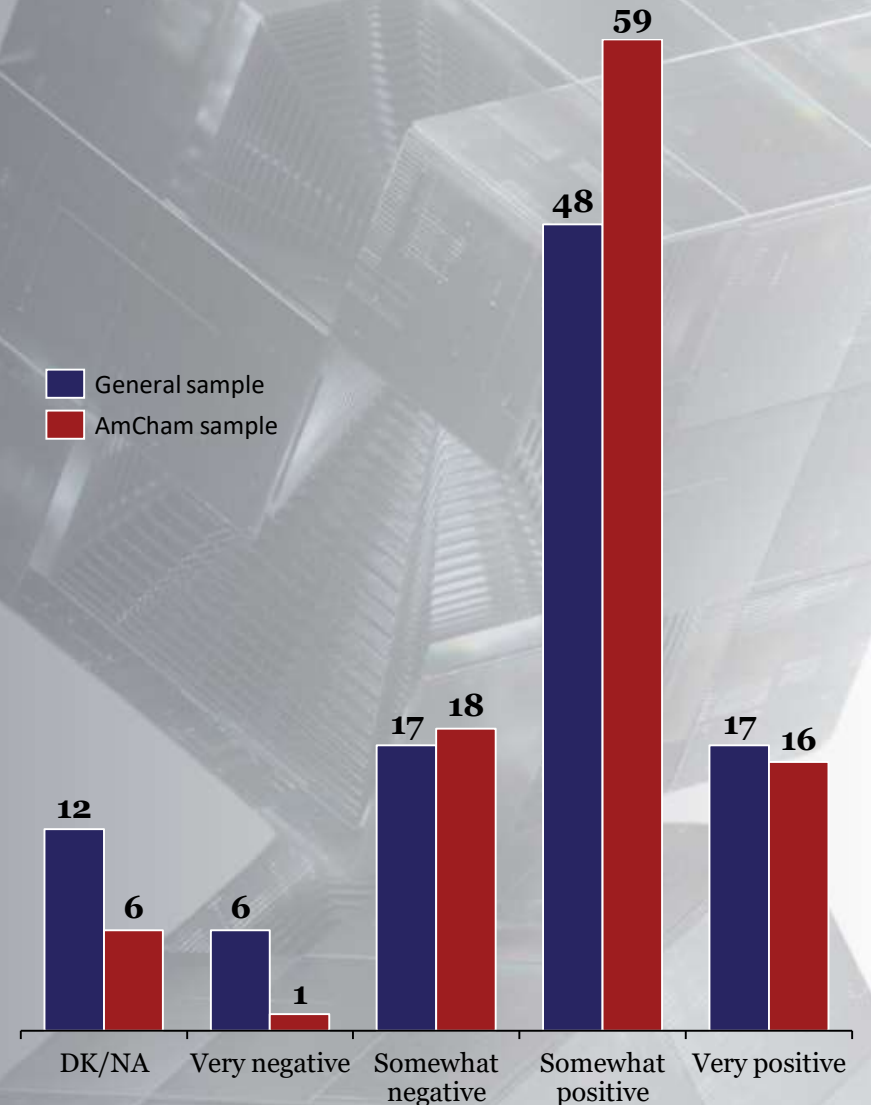
- Faster integration offers benefits but raises costs.
- Negotiated transition periods are key to a smoother path.

### Implementation challenges

- Fast legislative adoption has caused delays and overregulation by authorities ("gold plating").

### Success factors

- Business input, local adaptation, and calibrated implementation.



- **Tax regulatory impact on companies**
  - General sample: 57% view tax regulations as somewhat positive, 22% as somewhat negative.
  - AmCham members: 74% view tax regulations as somewhat positive, 9% as negative.
- **State Tax Service evaluation**
  - Around 50% of respondents in both samples rate the quality of service as satisfactory or high.
  - Audit procedures are rated as somewhat or very positive by both the general sample and AmCham members (81% and 75%, respectively).
- **Agreement with statements on tax benefits**
  - General sample: 73% agree tax benefits optimize revenue, but 62% are concerned about procedure uncertainty.
  - AmCham members: 70% agree tax benefits create uncertainty, 32% believe they optimize revenue.
- **Impact of tax benefits on employee attraction and retention**
  - General sample: 66% view tax benefits positively for employee attraction/retention, 24% negatively.
  - AmCham members: 72% view tax benefits positively, 21% negatively.

## AmCham community highlights

### Tax regulations – general sentiment

- Generally viewed positively, although new measures need clear transition rules. While short-term adjustments may be challenging, the long-term outlook remains optimistic.

### Flexibility and decision-making

- Institutions are more responsive than in the past, with improved dialogue.
- However, tax policy still lacks flexibility; decision-making is slow, limiting timely response to business needs.

### Tax burden impact on competitiveness

- Tax burden is seen as reasonable.

### Fiscal controls and digitalization

- Audits are now more transparent, with clearer procedures and access to legal counsel. Good progress was noted in service digitalization.

### BPO and sector-specific issues

- BPO policies need better alignment with market conditions, especially for export-oriented services.

### Shadow economy and enforcement

- While optimism regarding improved tax collection persists, the informal economy remains high (~40%), significantly affecting competitiveness. Further action is needed to address this issue.



# METRIX trade & customs | 5.19

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- **Customs' regulatory impact on company activity**
  - General sample: 50% consider it is not applicable to them, while 31% report a positive and very positive impact.
  - AmCham members: 38% find it not applicable, while 44% report a positive and very positive impact.
- **Impact of new Customs Code**
  - General sample: 31% view the new Customs Code (effective January 2024) positively; 27% have not studied it.
  - AmCham members: 55% view it positively; 14% have not studied it – indicating greater engagement compared to the general sample.
- **Service quality of the Customs Service**
  - General sample: 37% rate the service quality as medium, and 14% as high.
  - AmCham members: 31% rate it as medium, and 26% as high.
- **Control procedures by Customs**
  - General sample: 46% rate customs' control procedures as positive, while 17% rate them as negative.
  - AmCham members: 50% rate them positively, 12% negatively.
- **Post-Customs audit procedures**
  - In both samples, 48% rate post-customs audits as somewhat or very positive.
  - 27% of the general sample and 24% of AmCham members rate them as somewhat or very negative.

## AmCham community highlights

### Trade and Customs changes & challenges

- The introduction of changes in regulations regarding investments and statutory capital has removed previous advantages, leading to higher costs.
- While the absence of customs audits has benefitted businesses in recent years, perceptions of customs processes remain mixed.

### Institutional environment

- The customs environment has seen a slight improvement

### IT Infrastructure

- The Asycuda system remains the primary platform for customs matters, but IT infrastructure continues to raise concerns, affecting efficiency.

### Industry-specific challenges

- Some industries face growing challenges with products classified as dual-use (e.g., drones, x-ray equipment).
- The processing of up to 10 dossiers per month - a sharp increase from just one per year — represents a significant burden, further complicated by non-transparent regulations that hinder compliance.

# METRIX human capital | 5.39

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- **Labor market situation.** General sample: 48% rate it as bad, 19% very bad. AmCham members: 56% bad, 19% very bad.
- **Labor regulations.** General sample: 60% somewhat positive, 19% somewhat negative. AmCham members: 65% somewhat positive, 13% somewhat negative.
- **Workforce qualification.** General sample: 45% somewhat qualified, 34% somewhat unqualified. AmCham members: 50% somewhat unqualified, 34% somewhat qualified.
- **Labor-related costs & competitiveness.** Both samples view labor costs somewhat positively, although 30% and 28% rate them somewhat or very negatively.
- **Social infrastructure.** General sample: 47% somewhat positive, 30% somewhat negative. AmCham members: 41% somewhat positive, 38% somewhat negative.
- **Service quality of labor institutions.** 68% of the general sample and 77% of AmCham members rate the service quality of labor institutions as medium and satisfactory. 19% and 13%, respectively, consider it high.
- **Evaluating the control procedures.** General sample: 61% somewhat positive. AmCham members: 53% somewhat positive.
- **Workforce recruitment & retention challenges.** 50% of the general sample cite the lack of qualified candidates as a challenge and 30% mention migration. Among AmCham members, these figures rise to 72% and 18%, respectively.
- **Hiring foreign workforce.** General sample: 48% would not hire, 42% open but inactive. AmCham members: 26% would not hire, 41% open but inactive, 9% hired foreign workers successfully, 22% face difficulties.
  - Urban: 50% open to hiring, only 5% successful, 47% would not hire foreign labour.
  - Rural: 48% open, 51% would not.
  - North: 50% open, only 3% successful.
  - South: 39% open, 61% not hiring foreign labor.

## AmCham community highlights

### Workforce availability & quality

- Moldova has a labor supply but lacks qualified and motivated workers.
- The education system is misaligned with market needs, and mismatched employee profiles lead to high turnover, increasing costs and undermining stability.

### Cost & market pressures

- Labor costs are acceptable but not low. Salary competition in certain sectors distorts the market and affects competitiveness. Benefits packages lag behind regional peers, especially in smaller sectors like insurance.

### Key obstacles & needs

- Internal hiring is preferred, but external solutions are sometimes necessary.
- Better workforce matching and stronger HR capacity are essential.
- Low digitalization and weak returnee policies limit flexibility and adaptation.

### Labor import

- There is demand for both skilled and unskilled foreign workers; some companies import in small numbers (20–30 workers).
- Labor import remains sector-specific (e.g., construction) and is not yet mainstream.
- Bureaucratic hurdles with the Migration Inspectorate often require legal support.

### Sector-specific challenges

- **Construction & energy:** skilled labor shortages; trained workers often leave.
- **Fintech:** importing talent is impractical due to legal and language barriers.
- **Healthcare:** labor is the main constraint; costs are rising.
- **Insurance:** low attractiveness for young professionals and constrained salaries due to limited market size.



- **Impact of digitalizing Public Services on operational efficiency**
  - 53% of AmCham members see a very positive impact; 30% of the general sample share this view.
  - 43% of AmCham members and 46% of the general sample see the impact as somewhat positive.
- **Interest in AI and Big Data solutions**
  - 53% of AmCham members express strong interest in AI and Big Data solutions; 30% of the general sample shares this view.
  - 24% of the general sample and 32% of AmCham members show somewhat interest.

## AmCham community highlights

### Digital transformation & AI in business

- Businesses are motivated to digitize internal processes and accept transformation costs to stay competitive.
- AI is more often discussed than applied, but once adopted, it proves valuable. Some companies already use AI in internal meetings or for dental design, though uptake in medical fields is still early-stage.
- High investment needs in a small market raise sustainability concerns. Most AI and digital tools are introduced via international group structures, not developed locally.

### Public Service digitalization

- Moldova is progressing, though not yet at Estonia's level. Notable improvements include online document submission, mobile signatures, and effective interoperability. Compared to Romania, Moldova's digital services are seen more positively. Citizens prefer online interactions over physical visits.

### Key challenges

- In many institutions (e.g., ASP, Cadastre, banks), digitalization is perceived as superficial — manual processes and wet stamps still persist.
- Statutory changes, bank updates, and property records often require physical steps.
- In fintech, state-led initiatives struggle to keep pace with private innovation.
- The insurance sector lags in tech adoption, despite good data availability via platforms like MConnect.
- Efforts to address cybersecurity are viewed as limited in both scope and efficiency.

- In the general sample, 58% rated access to finance as limited or very limited, while only 36% considered it good or very good.
- By contrast, AmCham members were more positive: 47% rated access as limited or very limited, and 41% as good or very good.

## AmCham community highlights

### Financial instruments

- Banking tools remain the main option, while the capital market is still underdeveloped, though there's hope for growth.
- There's a lack of diversification: equity financing should come before debt.

### System structure

- There are no private pension funds, and the insurance sector remains underdeveloped.
- High demand for capital in Moldova places additional pressure on the financial system.

### Availability vs. Cost

- Liquidity is high, but access is limited due to high costs (interest rates, guarantees).
- The cost of financing is heavily influenced by country risk.

### Banking preferences

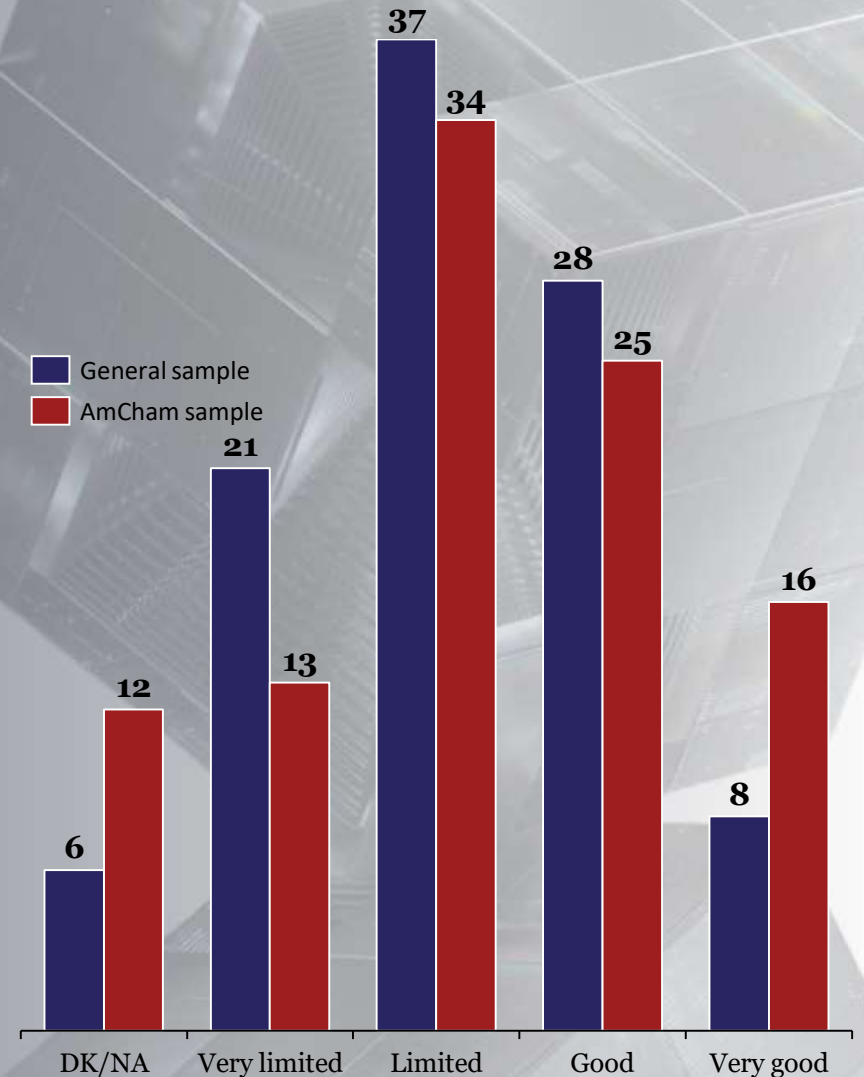
- Banks show a preference for lending to SMEs over investing in government securities.
- 373 program is appreciated.
- In 2024, banks supported 20% credit growth despite a return on equity (RoE) of only 13%.

### Capital market

- Limited in instruments and poorly understood locally.
- Low awareness of how capital markets work abroad.

### Challenges for Startups

- Startups face difficulties in accessing funding due to high perceived risk and demanding performance expectations.



- **Impact of energy regulations**
  - General sample: 28% see somewhat positive impact, 21% somewhat negative, 16% very negative. 26% consider the regulations not applicable to their activities.
  - AmCham members: 26% see somewhat positive impact, 16% somewhat negative, 9% very negative. 38% consider them not applicable to their activities.
- **Energy policy adjustment capacity to the needs of the business environment**
  - 66% of the general sample and 61% of AmCham members rate the Ministry of Energy's capacity to adjust to the needs of the business environment as weak or very weak.
- **National energy infrastructure efficiency in supporting the business**
  - In the general sample, 42% consider the infrastructure somewhat efficient, while 25% and 21% rate it as somewhat inefficient and very inefficient, respectively.
  - Among AmCham members, 52% say it is somewhat efficient, 33% somewhat inefficient, and 10% very inefficient.
- **Policy supporting the renewable energy transition**
  - General sample: 35% report small support, 33% moderate, 17% inadequate
  - AmCham members: 40% moderate support, 36% small, 12% big

## AmCham community highlights

### Impact on business sales:

- Rising energy costs strain businesses, reducing sales in other areas.

### Anxiety over energy audits:

- New energy audits add complexity, aligning with dissatisfaction over weak energy policy adjustment.

### Crisis management:

- The overall management of the energy crisis is perceived as suboptimal, although businesses are relieved it did not escalate further.

### Public data and transparency:

- Businesses appreciate the transparency of public data on energy policies and infrastructure.



- **Impact of environmental protection regulations on business activities**
  - General sample: 38% somewhat positive and 9% very positive, with 17% somewhat negative and 7% very negative.
  - AmCham Members: 37% somewhat positive and 15% very positive, with 16% somewhat negative and 3% very negative.
  - Nearly one-third of respondents in both samples consider these regulations not relevant to their activities.
- **Evaluation of control procedures by the Environmental Protection Inspectorate**
  - General sample: 47% somewhat positive, 16% somewhat negative.
  - AmCham Members: 50% somewhat positive, 15% somewhat negative.
  - One-fifth of respondents in both samples reported no interaction with the Inspectorate.



• **Real Estate availability & affordability**

- Most respondents consider real estate available but too expensive (46% general sample; 49% AmCham). About one-third perceive it as both limited and costly (35% general; 32% AmCham). Only a small fraction find it both available and affordable (5% general; 4% AmCham).

• **Control procedures by the State Construction Inspectorate**

- General sample leans slightly positive (49%), with 21% critical and 30% unsure. AmCham members show less confidence (30% positive), 23% negative, and nearly half (47%) unsure.

**AmCham community highlights**

**Costs and Real Estate accessibility**

- Real estate costs are comparable to, or higher than, those in Romania — especially when factoring in quality and investment potential.
- Commercial spaces remain available in Chişinău, though options in the regions are limited.
- Many attractive properties are public assets entangled in bureaucracy, discouraging private investment.

**Costs vs. Risk perception**

- While operating costs are lower, trustworthy contractors offering guarantees are scarce.
- Weak enforcement and payment loopholes contribute to elevated perceived risks for foreign investors.

**Lack of investment tools and functional markets**

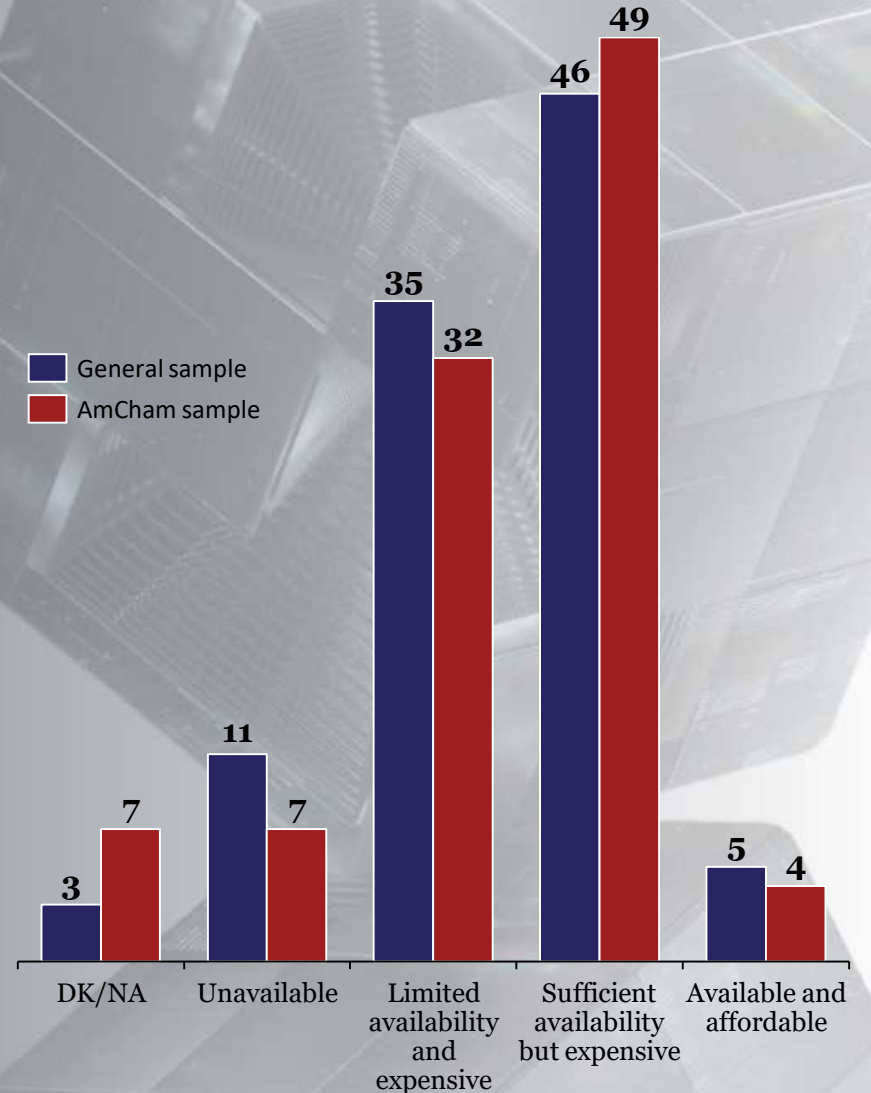
- Modern investment instruments such as REITs are rarely used; real estate funds are largely absent.
- The scarcity of warehousing limits logistics efficiency.
- Chişinău Airport's cargo terminal is outdated, and regional projects like Bălţi remain stalled.

**Construction and redevelopment challenges**

- Although real estate may be available, redevelopment remains overly burdensome.
- Obtaining construction permits is unpredictable and time-consuming.
- In some cases, renovation projects become so complex that entrepreneurs resort to informal or non-compliant practices.

**Energy infrastructure and regulatory gaps**

- In the energy infrastructure sector, each operator functions independently, with no unified standards or quality control mechanisms in place.





# METRIX quality | 5.99

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- **Consumer protection**
  - General sample: 55% viewed consumer protection regulations positively or very positively, while 10% saw a negative impact, and 33% considered it non relevant for them.
  - AmCham members: 40% rated the regulations as somewhat positive and 15% as very positive. Meanwhile, 21% viewed them as negative or very negative, and 25% considered them not relevant to their activities.
- **Quality Infrastructure**
  - General sample: 60% rated infrastructure for quality standards as good, with only 7% seeing it as very low.
  - AmCham members: 53% rated it as good, and 20% considered it low.
- **Control procedures**
  - **Food Safety Control authorities**
    - General sample: 59% rated control procedures somewhat positive, with 14% very positive.
    - AmCham members: 45% rated them somewhat positive, with 10% very positive. However, 25% felt improvements were needed.
  - **Consumer Protection Control authorities**
    - General sample: 55% saw control procedures as somewhat positive, with 14% negative and very negative.
    - AmCham members: 42% rated them somewhat positive, and 25% negative and somewhat negative, showing mixed perceptions.





# METRIX business perception score

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6.10



6.19



5.19



3.85



4.46



5.44



3.82



5.99



5.39



8.38

# METRIX<sup>o</sup> overall score

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54.81 business perception

82 policy analysis score



# METRIX component 2

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## Objective

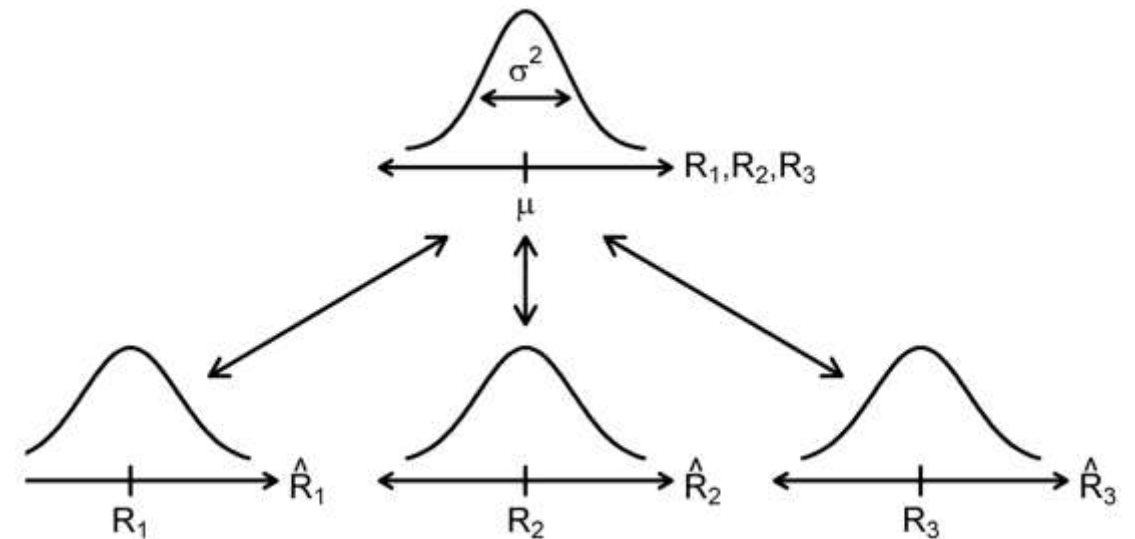
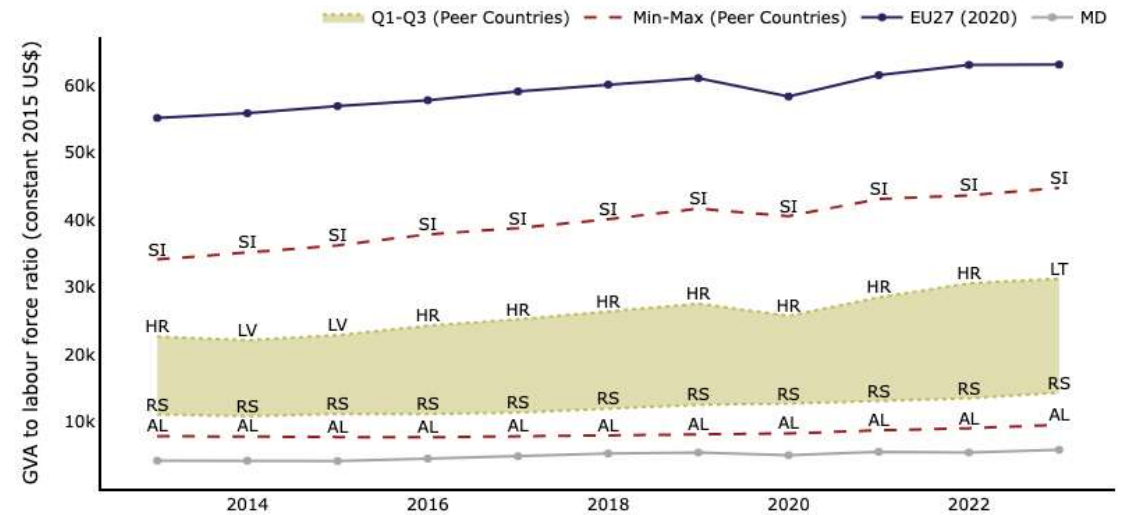
- Assess the impact of policies on Moldova's productivity relative to peer countries (Balkans, CEE, Baltics)

## Data source

- Eurostat, ILO, WB, national statistics

## Model

- Hierarchical Bayesian VAR
  - Flexible with limited data
  - Dynamic tracking of policy effects



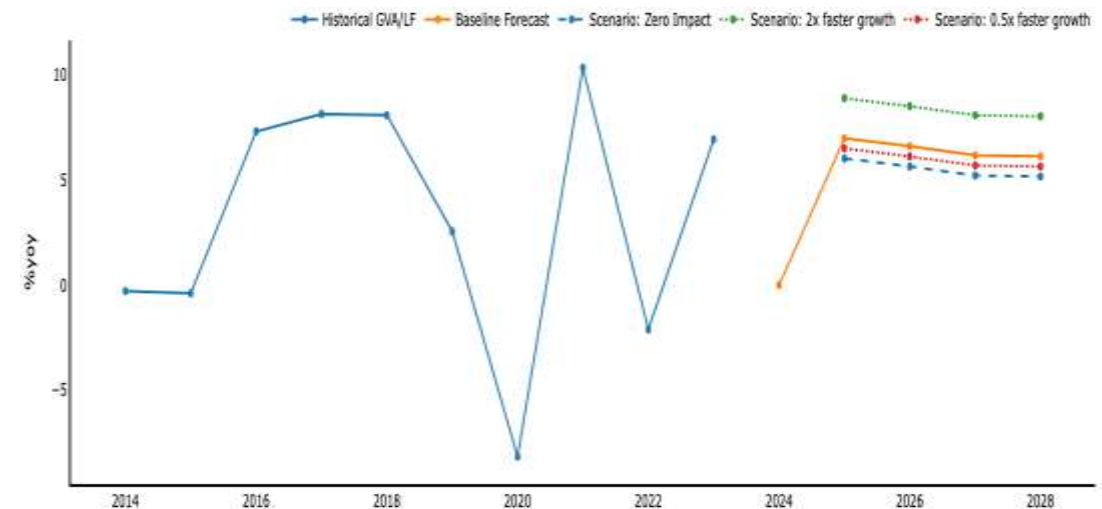
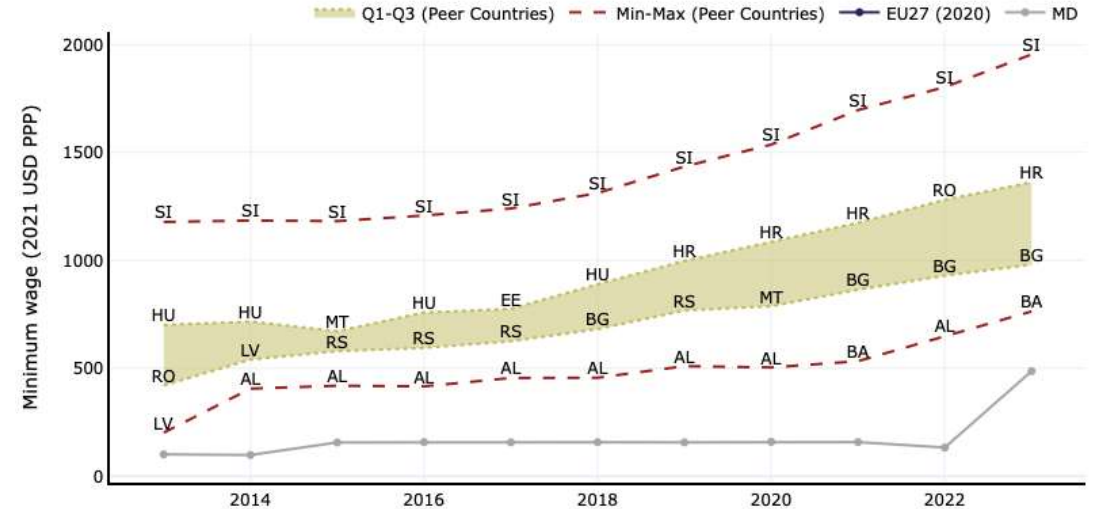


# METRIX<sup>o</sup> social items

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- Minimum wage has recently increased, but is still below its peers
- Impact is positive on productivity\*
- Assumptions: all macro variables continue to grow at the pace of the past 3-year average
- Scenarios:
  - 0% growth in MW => slowing from 6% in 2025 to 5.1% in 2028
  - 2x faster growth in MW => slowing from 8.8% in 2025 to 8% in 2028

\*Controlling for macro variables:  
Corporate Income Tax Rate, Government Consumption, Private Sector Credit as % of GDP, Exports as % of GDP, Regulatory Quality (World Governance Indicator)

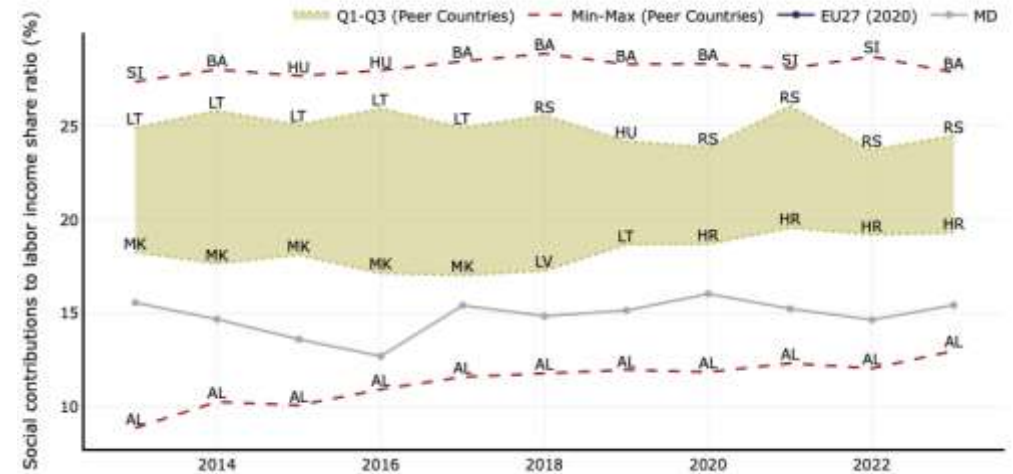




# METRIX<sup>o</sup> tax items

Moldovan Economic Transformation and Reform Index

- Higher labor tax (social contribution /labor income share) has a negative impact on productivity
- Higher CIT (CIT revenue as % of GDP) has a negative impact on productivity

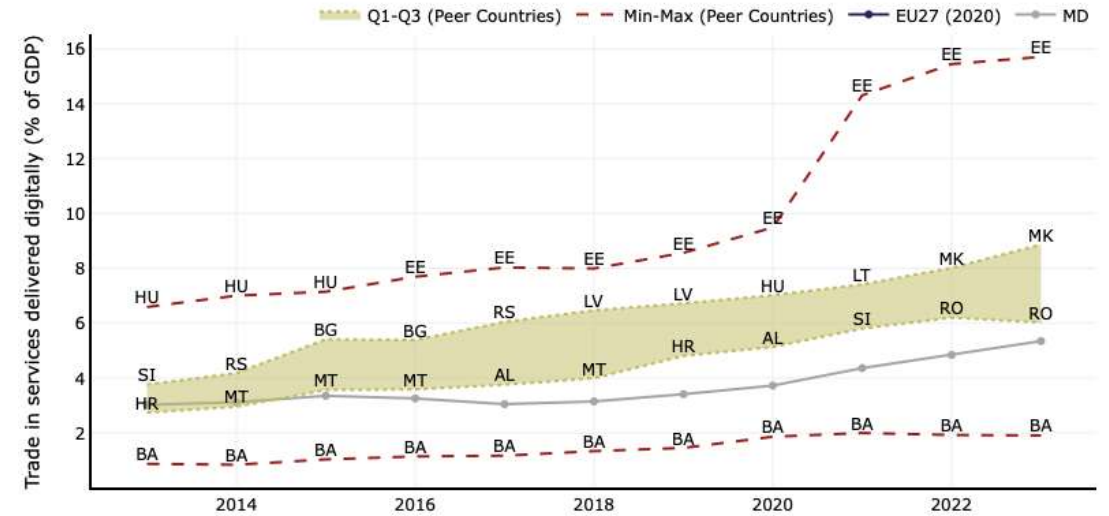




# METRIX<sup>o</sup> etrade item

Moldovan Economic Transformation and Reform Index

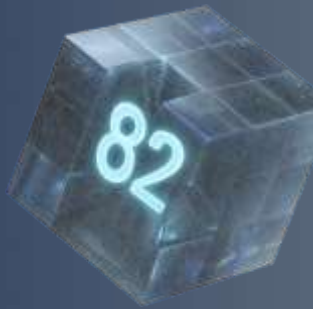
- Higher e-commerce (trade in services delivered digitally as % of GDP) has a positive impact on productivity



# METRIX<sup>o</sup> policy score

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The sum of the impact of policies (weighted average) versus the past 8 years' cycle



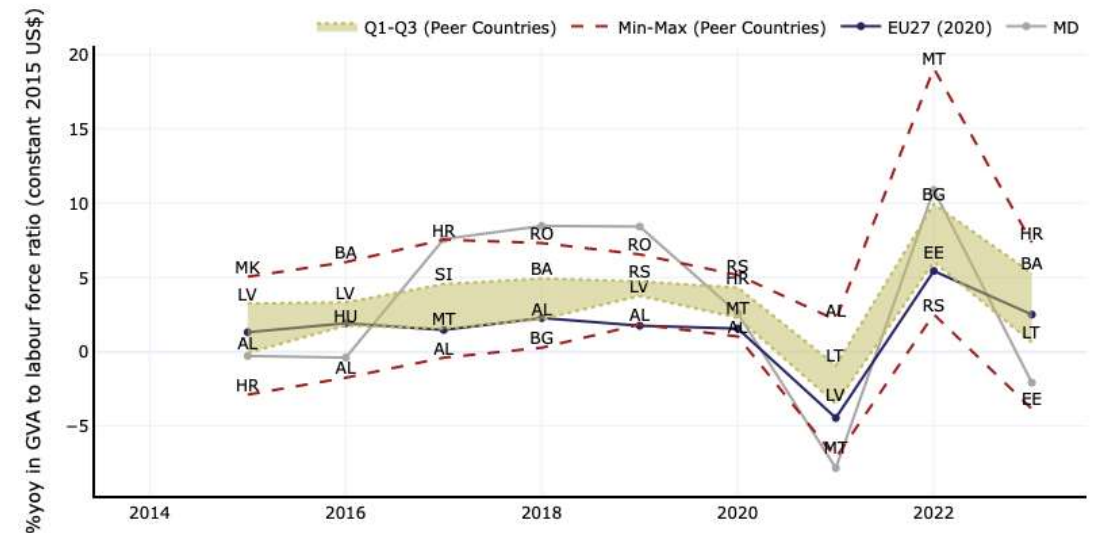
## Positive

- policies are pro-productivity growth

## Negative

- 3.2% is the average for productivity growth in the past 8-year cycle

	Weight	Impact
Minimum wage	0.1	+
Labour force participation rate	0.209	+
Labour tax	0.43	-
CIT	0.12	-
eCommerce	0.14	+



# METRIX expectations

Moldovan Economic Transformation and Reform Index

## Business conditions evolution:

- Most respondents expect no significant changes in business conditions over the next year. About half of both samples predict similar business conditions.
- There is a modest sense of optimism, with around 29%-37% of respondents (depending on the group) anticipating improvements.

## Company development expectations:

- The most common expectation across both groups is an increase in revenues and profits (38% of the general sample and 49% of AmCham members).
- Other expectations include maintaining current stability (20% for the general sample, 22% for AmCham members) and market expansion (13% for the general sample, 25% for AmCham).

## Investment predictions:

- Most respondents predict that investment levels will remain stable. Specifically, 54% of the general and 49% of AmCham respondents.
- Around 32% of the general sample and 39% of AmCham members foresee some level of increase in investment.

## Employment evolution:

- The majority expect employment to remain stable, with 48% of the general sample and 63% of AmCham members anticipating no change.
- 33% of the general sample and 23% of AmCham members expect employment to decrease, while a small share (17% of the general sample, 12% of AmCham members) foresee improvements.

## Industry risks:

- For the general sample, the top three risks are lack of skilled labor (21%), political instability (19%), and rising energy costs (18%).
- Among AmCham members, political instability (44%) is the top concern, followed by the war against Ukraine (34%) and the lack of skilled labor (25%).





# METRIX<sup>o</sup> Government

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## General sample expectations:

- The most common expectation is tax reductions (31%), followed by easier access to funding and subsidies (19%).
- Other notable requests include the simplification of bureaucratic procedures (6%), support for digitalization (4%), and access to European investments (5%).

## AmCham Members' expectations:

- AmCham members prioritize support for digitalization (21%) and simplified bureaucratic procedures (21%).
- Tax reductions (15%) also rank as a top priority, alongside access to European investments (13%).
- A smaller share of AmCham members emphasize issues such as fighting corruption (9%), development of laws supporting entrepreneurs (7%) and energy compensations (6%).



# METRIX rebuild Ukraine

Moldovan Economic Transformation and Reform Index

## Main contributions:

- The most frequently mentioned contribution is workforce provision to Ukraine, cited by 22% of the general sample and 24% of AmCham members.
- Construction services and materials are also viewed as important contributions, noted by 13% of the general sample and 22% of AmCham members.
- Other notable contributions include acting as a transit route for Ukraine and offering moral support, cited by 6% of the general sample and 15% of AmCham members, respectively.
- 15% of AmCham respondents also identified logistics and warehousing as potential areas of contribution.
- Additional suggestions from the general sample include opening the market to Ukrainian products (4%), providing financial support (4%), and contributing food products, textiles, or agricultural goods (3%).
- **Cautions:**
  - 17% of the general sample and 12% of AmCham members believe Moldova should have no or only a minimal role in the reconstruction process.
  - 6% of the general sample noted that Moldova faces its own major challenges and may be unable to contribute meaningfully at this stage..



METRIX<sup>o</sup> thanks for staying tuned.

Moldovan Economic Transformation and Reform Index

