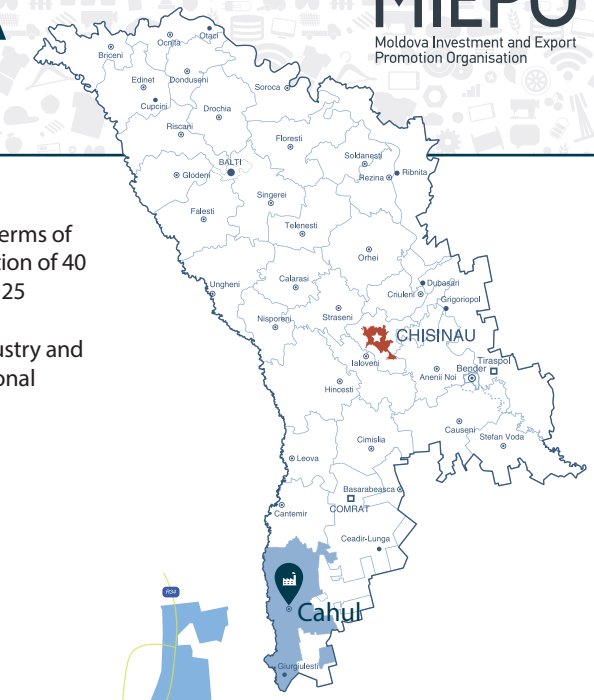
# FREE ECONOMIC ZONE IN CAHUL MUNICIPALITY

23 hectares

FEZ MOLDOVA FREE ECONOMIC ZONE
BĂLȚI | CAHUL SUBZONE

MIEPO
Moldova Investment and Export Promotion Organisation




## CAHUL MUNICIPALITY

Cahul Municipality is the administrative center of Cahul District and is the third largest city in terms of economic and social importance in the Republic of Moldova. Cahul Municipality has a population of 40 thousand inhabitants. Cahul District comprises 55 rural localities with the total population of 125 thousand inhabitants. The population in the radius of 50 km is circa 390 thousand inhabitants.
In terms of economic development Cahul District is characterized by the agriculture, light industry and development of industries based primarily on various raw materials. The Giurgiulesti International Free Port is situated at 50 km distance from Cahul Municipality.

## EDUCATION

- State University of Cahul
- Cahul branch of the "Dunarea de Jos" University of Galati (Romania)
- Industrial-pedagogical college of Cahul
- Medical college of Cahul
- 2 vocational schools

## LANGUAGES

widely spoken and understood

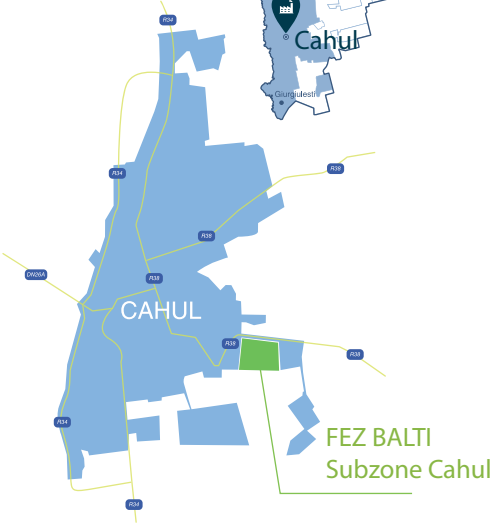
Romanian Russian Ukrainian English

## FREE ECONOMIC ZONE "BALTI" – SUBZONE CAHUL

The Free Economic Zone (FEZ) represents excellent platform for export-oriented manufacturing companies, which benefit of preferential customs and tax regime.
FEZ "Balti" was established in 2010 for a period of 25 years. It administrates 11 subzones with a total area of circa 245 hectares, namely in Balti Municipality (3 subzones – 148.4 ha); Cahul Municipality (2 subzones – 40.0 ha); Staseni Municipality (4 subzones – 40.2 ha); Causeni City (8.5 ha); Orhei Municipality (8.0 ha).

## GREENFIELD, SUBZONE CAHUL

Cahul subzone is located in the eastern part of the city. The FEZ is delimited to the north along the regional road R38 (Vulcanesti – Cahul – Taraclia). The subzone is situated in a distance of 2.8 km from the Cahul Municipality center. The nearest border checkpoint with Romania is Cahul (MDA) – Oancea (ROU) located at 7 km distance from Cahul Municipality. The land plot area is 23 hectares with possibility of further extension.




## GENERAL INFORMATION

| | |
|---|---|
| Location | Cahul |
| Overall Population of District | 125,000 inhabitants |
| Total Area of the City | 34 km$^2$ |
| Organizational Form | FEZ administration |
| Land Ownership | Public |
| Land Destination | Construction purposes |
| Land Area | 23 hectares |

## INFRASTRUCTURE

### TRANSPORT

- Immediate access to National road R38 (Vulcanesti – Cahul – Taraclia)
- 3.5 km to National road R34 (Hincesti – Leova – Cahul – Slobozia Mare – border checkpoint with Romania)

Distances:

- 165 km to Chisinau
- 7 km to the nearest border checkpoint with Romania
- 40 km to the nearest border checkpoint with Ukraine

- The railway station serves the city and is operated by Moldovan Railways. It provides direct rail connections to Chisinau and to Giurgiulesti International Free Port.

- Cahul International Airport is located at 8 km distance from Cahul Municipality. Currently the airport is not operational. Proximity to Chisinau International Airport – 170 km.

- Glurgiulesti International Free Port is located at circa 50 km distance from Cahul Municipality. It is the only Danube River and Black Sea port in Moldova with direct access to international waterways.

## UTLITIES

Water supply: in 200m proximity – Ø 110 mm

Electric power: substation in 1.5km proximity – 10 MW

Natural gas: in 360m proximity – 0.125-0.25 MPa (Ø 426 mm)

Sewerage: in 300m proximity – 13700 $m^3$/24 hours

## UTILITY COSTS

| | |
|---|---|
| Water | 1.0 EUR/$m^3$ |
| Electric power | 0.08 EUR/kWh |
| Natural gas | 0.274 EUR/$m^3$ |
| Sewerage | 0.681 EUR/$m^3$ |

## FEZ RESIDENT FEES*

| | |
|---|---|
| Tender fees | 400 EUR |
| Registration fee | 600 EUR |
| Fee for business activity permit | 1000 EUR |

* fees to be paid at the beginning of activity

## INVESTMENT PROPOSALS

The FEZ is designed as an economic area by law of the Republic of Moldova to facilitate the economic development by attracting investment capital. For this purpose, special favorable terms similar to tax and customs facilities have been created. Due to these incentives but also due to favorable geographic location of Moldova which provides exceptional investment platform with opportunities to export to EU and CIS countries, many foreign manufacturing companies are interested to extend their production capacities in Moldova. It increases the demand for ready-to-use production halls for quick production start but also demand for development of build-to-suit (BTS) projects.

Cahul subzone is created on a free land plot of 23 hectares which allows implementing the industrial real estate development projects.

## INCENTIVES OFFERED IN FREE ECONOMIC ZONES

- FEZs are connected to all important transport routes and have access to all regions through the national and international roads;
- All utilities available on site;
- Corporate income tax (CIT) rate: 6%;
- Exemption from CIT for a period of 3 years, when investing 1 million USD in fix assets of the company and/ or in FEZ infrastructure development (for 5 years, when investing 5 million USD);
- VAT for equipment and machinery: 0%;
- Customs procedures tax: 0.1% from customs value of goods;
- EUR/USD payment among FEZs residents;
- 10 years of state guarantee for protection against adverse changes in legislation;
- State investment protection.

## LAND LEASE & PURCHASE

Land plot can be leased with extension option. FEZ "Balti", subzone Cahul offers a long-term land lease contracts limited to lifetime of FEZ

- Land lease fee

| | per 1 $m^2$/year |
|---|---|
| FEZ land plot | 0.5 – 1.5 EUR |
| Land plot (general regime) | 0.75 – 2.0 EUR |

- Adjacent land purchasing

Land plot under constructions within subzone Cahul can be purchased on state norm price.

| | |
|---|---|
| Land purchase price | 0.15 EUR/m2 |

FEZ FREE ECONOMIC ZONE MOLDOVA
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## CONTACTS


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