

FREE ECONOMIC ZONE IN CAHUL MUNICIPALITY

23 hectares - free buildable area



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. Cahul lies in close proximity to the border with Romania being at 7 km distance from the nearest border checkpoint Cahul (MDA) – Oncea (ROU). The Giurgiuilești 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



FREE ECONOMIC ZONE “BĂLȚI” – SUBZONE CAHUL

The Free Economic Zone (FEZ) is an excellent platform for the companies producing export-oriented commodities benefiting from customs and tax advantages.

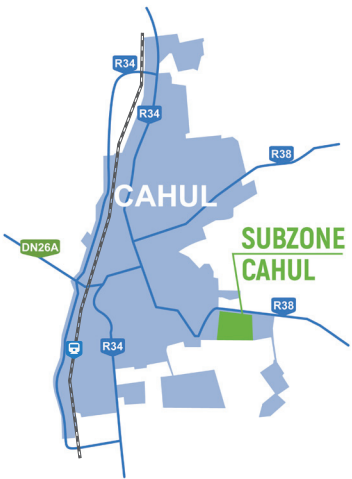
The FEZ «Bălți» was established in 2010 for a period of 25 years. It administrates 17 subzones with a total area of circa 278 hectares, namely in Balti Municipality (3 subzones – 104.9 ha), Strășeni Municipality (4 subzones – 43.4 ha), the Village of Pănășești (16.3 ha), the City of Căușeni (8.5 ha), Orhei Municipality (8.0 ha), Cahul Municipality (2 subzones – 40.4 ha), the City of Ștefan-Vodă (8.9 ha), the City of Cimișlia (20.0 ha), the Village of Albineț Vechi (1.5 ha), the City of Rezina (8.7 ha), and Chișinău Municipality (2 subzones – 18.0 ha).

The FEZ «Bălți» hosts in its subzones throughout the country several international automotive suppliers such as Drăxlmaier Automotive, Gebauer & Griller, SEBN Sumitomo Electric Bordnetze, Sammy Cablaggi / Kablem, and Coroplast Harness Technology.

Subzone Cahul consists of two delimited areas of a Brownfield of 17.4 hectares and a Greenfield of 23 hectares. Ca 18000 m² of Brownfield has been reconstructed by Drăxlmaier Automotive for wiring harness production.

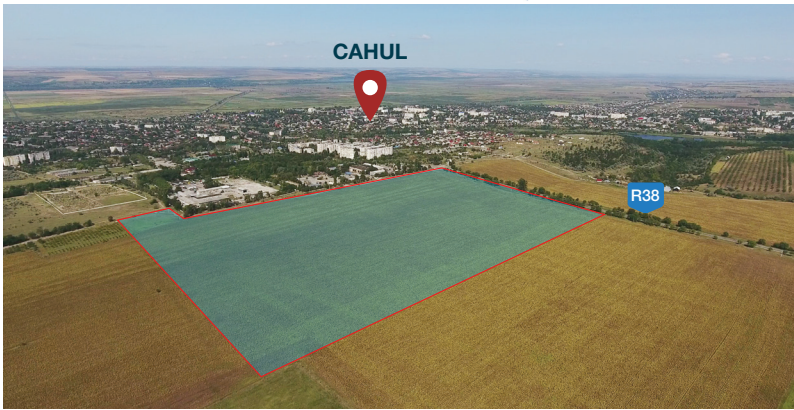
GREENFIELD, SUBZONE CAHUL

Subzone Cahul is located on the eastern outskirts of Cahul in circa 3 km proximity to the city center. The land plot of 23 hectares lies along the National Road R38 (Vulcănești – Cahul – Taraclia). The Greenfield layout (23 hectares) enables a possible extension over additional 20 hectares.



GENERAL INFORMATION

Location	Cahul
Overall Population of the District	125,000 inhabitants
Total Area of the City	34 km ²
Organizational Form	FEZ administration
Land Ownership	Public
Free Buildable Area	23 hectares



INFRASTRUCTURE TRANSPORT



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

Distances:

- 165 km to Chișinău;
- 7 km to the nearest border checkpoint with Romania;
- 40 km to the nearest border checkpoint with Ukraine.



- The railway station in Cahul serves the Municipality and is operated by Moldovan Railways. It provides direct rail connections to Chișinău and to Giurgiuilești International Free Port.



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



- Giurgiuilești 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.

UTILITIES



Water supply: in 200 m proximity – Ø 110 mm



Electric power: substation in 1.5 km proximity – 10 MW



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



Sewerage: in 300 m proximity – 13,700 m³/24 hours



Available: Topography and Geology surveys; Feasibility study and master plan.

UTILITY COSTS

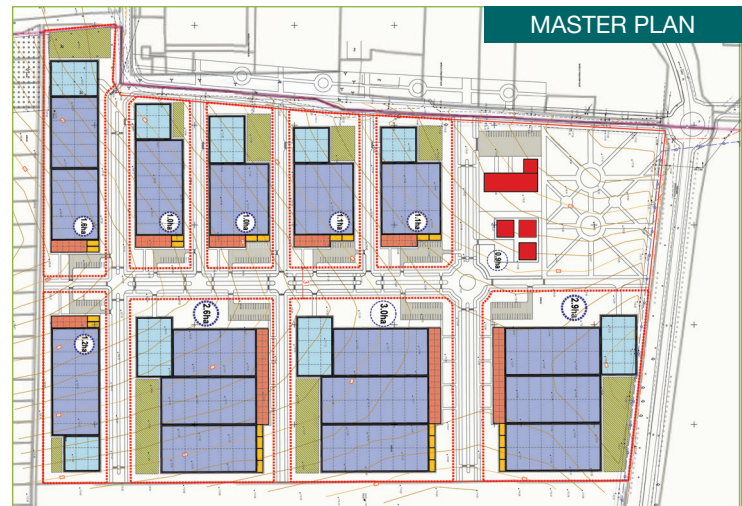
Water	1.0 EUR/m³
Electric power	0.1 EUR/kWh
Natural gas	0.34 EUR/m³
Sewerage	0.681 EUR/m³

INVESTMENT PROPOSALS

The FEZ “Bălți” is designed as an economic area under the 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, as well as due to the favorable geographic location of Moldova providing an exceptional investment platform with opportunities to export to EU and CIS countries, many foreign manufacturing companies are interested in extending 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. The Greenfield in Cahul Municipality is located on 23 hectares of free buildable area, which allows implementing the industrial and logistic 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.



FEZ RESIDENT FEES*

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

* a single payment for the entire period of activity in the free economic zone

LAND LEASE & PURCHASE

A land plot can be leased with an option for extension. The FEZ “Bălți”, Subzone Cahul offers long-term land lease contracts limited to the lifetime of the FEZ.

Land lease fee

	per 1 m²/year
FEZ land plot	0.5 – 1.5 EUR
Land plot (general regime)	0.75 – 2.0 EUR

Land purchasing

A land plot adjacent to and under constructions within Subzone Cahul can be purchased on the state norm price.

Land purchase price	0.15 EUR/m²
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**Free
Economic
Zone**

FREE ECONOMIC ZONE “BĂLȚI”

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