

# FREE ECONOMIC ZONE IN THE CITY OF VULCANESTI

107 hectares



Moldova Investment and Export Promotion Organisation

## VULCANESTI CITY

The City of Vulcanesti is located in the southern part of the Republic of Moldova at the interface of three states: Moldova, Romania and Ukraine. The City is the administrative centre of Vulcanesti District, the part of the Autonomous Territorial Unit of Gagauzia. The City of Vulcanesti has a population of 15.2 thousand inhabitants. The overall population of the autonomy is 162 thousand inhabitants. The main economic activities of Vulcanesti are manufacturing and agriculture. The different types of manufacturing are: construction netting production, wine-making, stove fuel production and other industries based on local raw materials.

## EDUCATION

- vocational school

## LANGUAGES

widely spoken and understood



Romanian



Gagauzian



Russian



Turkish



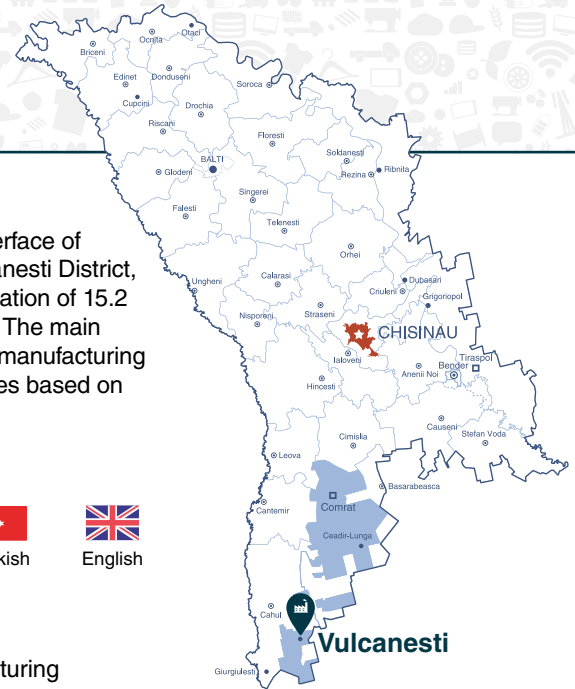
English

## FREE ECONOMIC ZONE "VALKANES"

The Free Economic Zone (FEZ) represents excellent platform for export-oriented manufacturing companies, which benefit of preferential customs and tax regime. FEZ "Valcanes" was established in 1998 for a period of 37 years. It administrates 4 subzones with a total area of circa 200 hectares, namely in Vulcanesti City (2 subzones – 107 hectares); Comrat Municipality (50.3 ha) and Ciadir-Lunga Municipality (42 ha).

## GREENFIELD, SUBZONE 1

FEZ "Vaklanes" is located in the proximity of 7 km to the East from the City center of Vulcanesti. The FEZ has immediate connection to European road E584 connecting the cities of Poltava (UKR) and Galati (ROU). The subzone is delimited to the East along the railway route connecting Vulcanesti with Chisnau and Black Sea port on Danube River. Out of the total area of the two subzones in Vulcanesti (107 hectares), circa 20 hectares represents free buildable area on greenfield.



## GENERAL INFORMATION

Location	Vulcanesti
Population	15,200 inhabitants
Overall Population of Autonomy	162,000 inhabitants
Total Area of the City	15.26 km <sup>2</sup>
Organizational Form	FEZ administration
Land Ownership	Public
Land Destination	Construction purposes
Total Land Area	107 hectares
Free Buildable Area	20 hectares



## INFRASTRUCTURE

### TRANSPORT



- Immediate access to European route E583 – B class road connecting the cities Roman (ROU) and Zhytomyr (UKR), which is national magistral road M3 Chisnau – Cimislia – Vulcanesti – Giurgiulesti (MDA) – border checkpoint with Romania



- Immediate access to railway route connecting Vulcanesti with Chisnau and Black Sea port on Danube River.



- 195 km to Chisnau International Airport;



- Giurgiulesti International Free Port is located at circa 40 km distance from Vulcanesti. It is the only Danube River and Black Sea port in Moldova with direct access to international waterways

#### Distances:

- 183 km to Chisnau
- 1.5 km to the nearest border checkpoint with Ukraine
- 39 km to the nearest border checkpoint with Romania

## UTILITIES



**Water supply:** artesian wells; pipeline in development



**Electric power:** 1 substation of 420 kW; 2 substations of 160 kW each



**Natural gas:** 0.125-0.25 MPa (Ø 90 mm)



**Sewerage:** in development



## UTILITY COSTS

Water	2.12 EUR/m <sup>3</sup>
Electric power	0.08 EUR/kWh
Natural gas	0.275 EUR/m <sup>3</sup>
Sewerage	2 EUR/m <sup>3</sup>

## INVESTMENT PROPOSALS

The FEZ is designed as an economic area by 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 to due to favorable geographic location of Moldova providing 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. FEZ "Valkanes" is located on 107 hectares. Out of the total area of FEZ, circa 20 hectares are available for industrial production, manufacturing and services provision.

## 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 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	500 EUR
Registration fee	700 EUR
Fee for business activity permit	800 EUR

\* fees to be paid at the beginning of activity

## LAND LEASE & PURCHASE

Land plot with all utilities can be leased with extension option. FEZ "Valkanes" offers a long-term land lease contracts limited to lifetime of FEZ.

### Land lease fee

	per 1 m <sup>2</sup> /year
FEZ land plot	0.5 EUR
Land (general regime)	0.75 EUR

### Adjacent land purchase

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

Land purchase price	0.65 EUR/m <sup>2</sup>
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## CONTACTS

FREE ECONOMIC ZONE "VALKANES"

6 Korolenko str., Vulcanesti City, MD-5301

+373 293 7-82-70

freezone-valcanes@mail.md

www.freezone-valcanes.md



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65 Alexei Mateevici st., Chisinau, Republic of Moldova, MD 2009

+373 22 27-36-54, +373 22 22-43-10

invest@gov.md, office@miepo.md

www.invest.gov.md, www.miepo.md