WHITE PAPER

Moldau as an EMS manufacturing site

Opportunities, risks and strategic recommendations for OEMs from high-wage countries

A data-driven analysis for OEM decision-makers

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Executive Summary

Moldova is increasingly developing into a strategically important manufacturing location for European OEMs. While many companies still primarily consider established CEE locations such as Poland, the Czech Republic, or Romania when searching for EMS partners, Moldova has undergone remarkable industrial and regulatory development. In recent years, Moldova has developed a growing electronics sector, qualified engineers, attractive tax incentives, and a clear political focus on the EU accession process.

This white paper provides OEM decision-makers with a sound, source-based foundation for the strategic evaluation of Moldova as an outsourcing destination for electronics manufacturing. It highlights the location's strengths and weaknesses, the regulatory framework, investment incentives, and a reasoned timeline for when Moldova will become a serious competitor in the CEE EMS market.

The analysis suggests that the market for qualified EMS partnerships in Moldova remains relatively early developed and currently experiences limited international competitive pressure.

> **Key message**
> Moldova currently offers an attractive combination compared to other European countries: low labor costs, qualified engineering capacity, active EU legal harmonization, and still limited international competition for the best EMS partners. The current market phase offers OEMs the opportunity to establish early access to qualified EMS partners in Moldova, before the location is more broadly established internationally and competitive pressure for available capacities increases.

1. Moldova's electronics sector – status and development

1.1 Sector size and growth dynamics

Moldova's electronics sector has undergone a remarkable recovery over the past five years. Following the collapse of the Soviet defense industry in the early 1990s, the sector experienced a long transformation. Since 2019, it has recovered substantially. The figures speak for themselves:

Indicator	Value	Source
Active companies in the electronics sector	210	Invest Moldova / Chemonics (2024)
Employees	about 14,000	Invest Moldova / Chemonics (2024)
Revenue (2022)	USD 414 million	Invest Moldova / Chemonics (2024)
Electronics exports (2022)	USD 535 million – almost doubled in 5 years	Invest Moldova / Chemonics (2024)
Share of total exports	12,5 %	Invest Moldova / Chemonics (2024)
IT sector – share of GDP	7,8 %	Invest Moldova / MITP (2025)
IT Park revenue (2025, first time)	over 1 billion USD	Invest Moldova / MITP (2025)

Source: Invest Moldova Agency / Chemonics (2024); Invest Moldova / MITP (2025)

This growth dynamic is not cyclical but structurally embedded: The Moldovan education system continuously produces qualified engineers and technicians. A dual training system combines academic engineering education with practical manufacturing experience – a model that is very familiar to German OEMs.

1.2 EMS-specific capacities

Moldova boasts active EMS and ECM (Electronic Contract Manufacturing) capabilities in SMD and THT assembly, printed circuit board production, and component assembly. The Moldova Electronics Association ACEM represents the industry nationally and internationally – including at embedded world in Nuremberg and electronica in Munich.

For example, EBS Electric Group – an EMS provider with offices in Romania and Austria – has established a production facility in Moldova after a structured test phase. The company plans to invest approximately €5 million over four years, creating 100 jobs for qualified engineers.

Source: Invest Moldova Agency (2024) – Moldova Business Week

Other international brands that manufacture or develop in Moldova include Beurer, Magnetec Components, and Steinel, as well as investors from Germany, Italy, France, Romania, and the Netherlands. The leading local company, ADD Grup, develops and produces smart metering solutions – approximately 8 million smart meters delivered to over 27 countries.

Source: Chemonics / Invest Moldova (2024); ACEM Moldova (2024)

2. Wage costs and labor force potential

The cost advantage compared to Western Europe is substantial and structurally embedded. Wage cost comparisons alone are not a sufficient decision criterion – the Total Cost of Ownership (TCO) is decisive. Nevertheless, wage data is indispensable for an initial strategic assessment.

Key figure	Value	Source
Manufacturing wages Q2 2025 (average)	13.124 MDL / ca. 643 EUR	Trading Economics / NBS Moldau
Average wage overall in 2025	15.025 MDL / ca. 735 EUR	National Statistics Bureau of Moldova (NBS)
Minimum wage 2025	5.500 MDL / ca. 269 EUR	Moldovan Government (Dec. 2024)
For comparison: Bulgaria (EU minimum)	approx. 1,283 EUR / month	Eurostat (2024)
For comparison: Germany (production average)	approx. 3,800–4,200 EUR / month	Federal Statistical Office / IW Cologne

Source: Trading Economics; National Statistical Office of Moldova (NBS); Eurostat 2024; Moldovan Government

An average manufacturing worker in Moldova costs the employer, including all deductions, about one-sixth to one-eighth of the German level. This advantage is explained not only by low wages, but also by the favorable tax system (see Chapter 4) and comparatively low operating costs.

Qualifications are available.

Moldova Innovation Technology Park (MITP) – a fully digitally organized e-technology park – promotes engineers and technicians in electronics, embedded systems and R&D. The Chișinău University of Technology and vocational schools for nanotechnology, electronics, and microelectronics ensure a steady flow of skilled workers. The dual education system combines theory with practical experience in a company.

Source: ACEM / Invest Moldova (2024); Moldova Innovation Technology Park (MITP); Invest Moldova Agency (2024)

3. EU Accession Process – Status and Significance for OEMs

3.1 Current status

Moldova is not an EU member – this must be clearly stated. However, Moldova is the fastest-progressing EU accession candidate of all candidate countries, as confirmed by the EU Enlargement Report 2025. This has direct consequences for OEMs.

Source: EU Enlargement Package 2025 – Moldova Progress Report, European Commission

milestone	Date / Status
EU candidate status granted	June 22, 2022
Accession negotiations opened	June 25, 2024
Screening process completed	22. September 2025
Greatest progress of all EU candidates	EU Enlargement Report, November 2025
Not a single negotiation chapter remains in the initial phase.	Stand 2025
Target date for provisional negotiation conclusion	Early 2028 (Moldovan government)
Technical assessment EU Commission	Possible end of 2027 (DG ENEST)

Source: European Commission / EEAS (November 2025); Council of the EU (2025); New Union Post, June 2025

3.2 What this means specifically for OEMs

The EU accession process is not an abstract political promise. It has concrete regulatory consequences that are directly relevant to outsourcing decisions:

- Legal harmonization: Moldova is transposing over 3,000 EU legal acts into national law (National Accession Plan 2025–2029, approved May 2025). This includes trade law, product safety, and environmental standards – relevant for ESG compliance in the supply chain.
- Trade integration: The DCFTA agreement already allows for largely duty-free exports from Moldova to the EU. An updated trade agreement was signed in July 2025.
- Road transport: The EU-Moldova road transport agreement (extended until March 2027) increased road exports from Moldova to the EU by 57% (volume) and 41% (value).
- Financial package: The EU approved a growth package of €1.9 billion for 2025–2027 (Reform and Growth Facility, Council decision of 18 March 2025).
- Roaming: Since January 1, 2026, the EU roaming regulation has applied to Moldova – a further signal of active market integration.

Source: European Commission (2025); European Council (2025); EU for Moldova (2025); Moldovan Government – National Accession Plan 2025–2029; European Commission (2025); European Commission – EU-Moldova Road Transport Agreement Extension (2025)

3.3 ESG Implications

ESG requirements in the supply chain are becoming increasingly mandatory for European OEMs (LkSG, CSDDD). Moldova is better positioned in this regard than many expect: Active legal harmonization with EU standards and cooperation with German and European institutions (GIZ, EU, EIB) create a foundation on which ESG compliance can be structured and built. As with any new EMS location, a prerequisite is careful partner selection and process integration from the outset.

4. Investment incentives and tax framework

Moldova offers an attractive incentive system for export-oriented manufacturing. The most important instruments at a glance:

4.1 Free Economic Zones (FEZ)

Moldova maintains six Free Economic Zones (FEZs), strategically located near the borders and in major cities. FEZ residents enjoy the following benefits:

- 0% corporate tax for 3 years on investments of USD 1 million or more.
- 0% corporate tax for 5 years on investments of USD 5 million or more.
- 50% reduction in corporate tax on export earnings
- 0% VAT on goods and services within the FEZ
- Customs exemptions for imported materials for export-oriented production
- Protection against retroactive legal changes for 10 years

Source: Invest Moldova Agency – Incentives & Taxes; PwC Tax Summaries Moldova (2025); U.S. Department of State – Investment Climate Statement 2024

4.2 Moldova Innovation Technology Park (MITP)

MITP residents benefit from a uniform tax rate of 7 percent on revenue – this replaces corporate tax, income tax, social security contributions, health insurance, property tax, and road tax cumulatively. The IT Park Act is valid until 2035. Relevant for EMS companies with an R&D component and a focus on embedded systems.

Source: Invest Moldova Agency; U.S. Department of State – Investment Climate Statement 2024; Moldova Innovation Technology Park Law

4.3 Industrial parks and double taxation agreements

Moldova maintains ten industrial parks with subsidized land prices and a minimized state inspection regime. In addition, it has 51 double taxation agreements – including with Germany and other EU member states.

Source: Invest Moldova Agency; PwC Tax Summaries Moldova

5. Infrastructure and logistics – honest assessment

Logistics is Moldova's most critical weakness. An honest analysis makes this unequivocally clear.

5.1 Current Situation

- Moldova is a landlocked country without direct access to the sea. Its only port (Giurgiulești International Free Port, Danube) has limited development.
- The railway infrastructure does not yet fully meet European standards. Differences in track gauge make direct rail transport to Western Europe difficult.
- Road connections to Romania are the primary export corridor. Logistics chains to Germany are longer and more complex than for established CEE locations – this must be factored into the TCO model.

5.2 Ongoing infrastructure investments

The EU is investing substantially in improving Moldova's connectivity. Relevant projects:

- EUR 33 million for Moldova's first electrified railway line (Iași–Ungheni, cross-border Romania–Moldova, EU/CEF, November 2025)
- 45 million EUR for the Constanța / Bucharest–Moldova–Ukraine railway corridor (EU/CEF)
- Modernization of the Chișinău Ring Road, M3 Corridor (Capital–Danube Port), R7 Corridor (Moldova–Ukraine–Romania) through the EPIC Facility (EU/EIB)
- Ungheni–Ungheni Bridge (first motorway bridge over the Prut River between Moldova and Romania): Commissioning planned for autumn 2026
- Moldova's inclusion in the Trans-European Transport Network (TEN-T) is in preparation

Source: European Commission – Connecting Europe Facility (CEF) (2025); EU for Moldova (2025/2026); Moldpres (January 2026)

Conclusion: The infrastructure gap is real – but it is being actively and substantially closed. Many of these projects will be completed within the next three to five years. Those working with Moldovan EMS partners today must expect somewhat higher logistics costs and longer lead times. This is manageable – but must be factored into the total cost of ownership (TCO) model.

6. Risks

Risk factor	Evaluation	Relevance for OEMs
Geopolitical situation	Border with Ukraine. Security situation stable, context remains tense.	Resources – Business continuity planning required
Transnistria conflict	Separatist region in the east – no direct manufacturing risk.	Low to medium – choose a location outside Transnistria
Infrastructure	Logistics and rail are not yet at EU level.	High – factor into TCO
FDI-Level	Foreign direct investment is historically low, but is rising.	Resources – careful partner vetting required
Availability of skilled workers	The migration of skilled workers to Western Europe is structural.	Means – Examine the partner's commitment concepts
Partner selection	The EMS market is smaller and less standardized than in Poland/Czech Republic.	Highly professional due diligence is essential
Currency risk	The Moldovan Leu (MDL) is not the Euro.	Low to medium – contractually secureable

7. Market development and strategic classification until 2031

Based on the researched data and the market assessment by EMS Strategy Group, the following reasoned timeline emerges:

Period	Development	Implications for OEMs
2025–2026	The first international EMS companies are active locally. Infrastructure investments are underway. EU negotiations are in full swing.	Early market phase with high partner availability and comparatively low international demand for capacity..
2027–2028	Initial infrastructure projects completed. EU negotiations possibly provisionally concluded. Increasing international visibility.	Growing demand. Price pressure is increasing. First top partners have already been awarded.
2029–2031	Moldova is closer to or has already joined the EU. TEN-T integration has progressed. Further FDI inflows are expected.	Location established. Capacity bottlenecks likely at top partners.
After 2031	EU membership. Full market and legal integration.	Moldova as a normal CEE EMS location – with correspondingly adjusted costs.

Source: EMS Strategy Group's own assessment based on: European Commission (2025); EU Council (2025); Invest Moldova (2024); Moldpres (2025/2026); Trading Economics (2025)

Strategic conclusion

Early integration of Moldova as a business location offers OEMs opportunities for structural advantages that may become more difficult to achieve with increasing market integration. The current combination of cost, tax, and integration benefits will continue to evolve as the country becomes more integrated into Europe. Companies that establish robust partnerships and local market knowledge early on can particularly benefit from Moldova's current location advantages..

8. Recommendations for OEMs

Based on the present analysis, EMS Strategy Group recommends the following structured approach to OEM decision-makers:

- Conduct a site assessment: Moldova is not suitable for every product and every OEM profile. A sober TCO analysis, including logistics costs, start-up costs, and quality risks, is the first step.
- Building a partner pipeline: The number of qualified EMS providers in Moldova is limited. Those who look too late will find the best partners already taken or fully booked.
- Integrate the ESG framework from the outset: Processes, supplier evaluation and compliance requirements must be part of the partnership agreement from day one.
- Ensure professional management: Moldova is not a walk in the park. Due diligence is more demanding than in Poland or the Czech Republic. Local market knowledge, networking, and experience are not optional extras.
- Involve ACEM and Invest Moldova as strategic partners: Both institutions have an active interest in bringing together international OEMs with qualified Moldovan EMS partners.

> **How EMS Strategy Group supports**
> EMS Strategy Group supports OEMs from high-wage countries in the complete implementation of EMS relocations to Europe – including Moldova. Our framework includes location analysis and TCO modeling, identification and qualification of EMS partners, on-site physical audits, contract drafting, and ongoing supply chain management.
> **EMS Strategy Group is implementing this together with OEMs.**

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About the author

Dirk Kaussen is Founder and Managing Director of EMS Strategy Group. With around 40 years of experience in the electronics industry — including founding and managing his own electronics manufacturing company in Germany — he brings deep expertise in manufacturing processes, EMS partner selection, supply chain stability, relocation projects, and risk management. His approach combines practical solutions with a direct connection to industrial reality.

About the EMS Strategy Group

EMS Strategy Group supports industrial enterprises in the strategic advancement and optimization of their electronics manufacturing operations – from high-level planning to operational execution. Our core expertise lies in the strategic relocation of manufacturing volumes to European EMS providers, the establishment of new production capacities, and the expansion of existing manufacturing structures.

Furthermore, we design resilient supply chain frameworks, conduct comprehensive risk assessments, and guide dual-sourcing strategies to secure and fortify supply chains. Upon request, we manage projects closely until a successful serial production ramp-up is achieved.

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