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FOREIGN ECONOMIC LINKS OF THE REPUBLIC OF MOLDOVA AND THEIR DYNAMICS IN 1991–2015¹

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Abstract

The paper presents changes in foreign links of the Republic of Moldova in the field of trade balance (import and export of goods) and capital ties in the form of foreign direct investment. The focus was not only on the value of turnover but also on its branch structure and geographical directions. The most important determinants forming these relationships, in particular, the natural, historical, political, and institutional ones have also been presented. The collected data show the changes that have taken place during Moldova's independence, with the starting point being 1991, the year in which Moldova regained independence. In this way the directions of economic integration of the country could be demonstrated.

Key words

Moldova, foreign trade, trade balance, export, import, foreign direct investments.

1. Introduction

International links of economies of individual countries in the time of globalization are very important. This is particularly visible in the case of small countries, such as the Republic of Moldova. The country takes 135th place in the world and 32nd in Europe in terms of area (33,846 km²), in terms of population (4,055,000 people on 01 Jan. 2016) 129th and 29th, respectively (Сокиркэ, Мыткы, 2016), and in terms

of GDP (6,551 m US dollars in 2015) 150th and 39th, respectively (<http://data.worldbank.org>). The latter data suggest that the country has little relevance for the world economy. The question arises whether it is really so: what is the nature of foreign economic relations of Moldova and what changes has it undergone in the years of independence? The objective of the study is, therefore, to show foreign economic relations of Moldova and their changes in terms of trade balance (export and import of goods) and foreign direct investment. Those links are also important regarding the research on integration and disintegration processes in newly created states in the post-Soviet area. Therefore, the study covers

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the period of 1991–2015, taking into account earlier conditions. The data do not include parts of Moldova called the Transnistria Republic.

2. Natural and economic determinants

Natural conditions of Moldova mark out this country for the development of agriculture. In the north of the country, on the Bălți Steppe, there is mainly chernozem, in the central part, on the slopes of the Kodry hills range rarely reaching above 400 m asl, there is mainly podzol (Barański, 1953). Common is also loess. The moderately continental climate is characterised by mild winters (the average temperature in January ranges from -5°C in the North to -3°C in the South) and warm summers (from $+19^{\circ}\text{C}$ to $+22^{\circ}\text{C}$ in July, correspondingly) and moderately low rainfall (from 550 mm in North-West to 400 mm in South-East) (Maryański, 1987). The development of agriculture affects the low degree of afforestation accounting to 6% of the country's surface.

The traditional form of farming – herding – since the Tsarist period has been increasingly replaced by growing crops and by a slow development of industry, mainly the food-processing one. In the early Soviet times a division into three agricultural regions appeared: the northern one with a predominance of wheat and sunflower crops, the central one with fruit, tobacco and vineyards crops, and the southern one with a predominance of wheat crops and sheep breeding (Barański, 1953). As N. Barański writes (1953, p. 370), “the main export goods” of Moldova were then grapes, wines, fruits, nuts, wheat, leather and canned goods. Due to its different socio-economic circumstances, Moldova did not become part of any of 18 major economic regions of the Soviet Union (Ławriszczew, 1969). Later corn became popular, taking up 44% of the cereal crops area, with the ever popular wheat (40%). The sugar beet was introduced in the south of the country, and around the country the sunflower was planted. It was, however, fruit farming that determined the agricultural specificity with 170,000 hectares of orchards and 240,000 hectares of vineyards, which accounted for 22% of the wine-growing area in the entire USSR (Maryański, 1987). As part of Gorbachev's fight against alcoholism, most of the vineyards were cut, but the wine-making traditions in Moldova have survived and the crops have been quickly restored.

Intense development of agriculture and a lack of natural resources (only limestone was mined on an industrial scale) resulted in the development of industries complementary to agricultural production. As part of the processing industry it was:

wine-making (Chişinău, Tiraspol, Rîbniţa, Bălţi), fruit and vegetable processing (Tiraspol, Bendery, Grigoriopol), sugar (Rîbniţa, Bălţi) and oil (Bălţi, Ataki, Bendery). The engineering industry developed in Chişinău (a tractor plant), light industry in Bednary (silk factories), fur industry in Bălţi, where there were long leather processing traditions (Maryański, 1987). Today the disused limestone mines have been converted into wine-production plants and are especially used to store Moldavian wines.

3. Historical overview

The Republic of Moldova is the legal heir of the Moldavian Soviet Socialist Republic (MSSR), founded on 2 Sep. 1940 as a federal republic of the USSR. Previously most of these regions were part of Romania; however, on the basis of the Molotov-Ribbentrop Pact, they were occupied and annexed on 28 July 1940. Following the outbreak of warfare between Germany and the Soviet Union, these lands along with the areas between the Dniester and the Boh were again incorporated into Romania (Demel, 1986). After the war, the border from July 1940 was restored, recreating the MSSR, with numerous adjustments to borders with the Ukrainian Soviet Socialist Republic (Demel, 1986; Maryański, 1987; Stępniewski, 2011).

If the creation of the MSSR is taken as a point of reference, since then three stages can be distinguished in shaping international ties of the country:

- 1) 1940–1991, when Moldova was part of the USSR (except the period of World War II);
- 2) 1991–2014, includes a period of independence until signing an agreement of association with the EU;
- 3) from 2014 to today, i.e. the period of independence since signing the above-mentioned agreement.

Being part of the USSR, Moldova's economic ties mainly focused on other federal republics. In the years 1988–1991 as much as 87.8% of Moldova's trade of goods was with the USSR. The remaining 12.2% was mainly aimed at countries of the socialist bloc (Народное хозяйство..., 1992).

The collapse of the USSR exposed numerous problems of the country. The economy proved to be non-market and inefficient. Social, cultural, political, administrative, etc. problems became apparent. Internal separatist trends were an important problem: creation of the Transnistria Republic in 1990 and the war fought for it with active participation of the Russian Army (Mătcu, Sochircă, 2001) as well as the emerging autonomy of Gagaúzia.

De facto since the beginning of the 1990s it was necessary to build the state of Moldova from the scratch, creating appropriate legal bases (including adoption of the constitution), the state authorities, the army and other state power ministries, the national bank, currency and seeking recognition both within the country (among the population) and abroad.

Regarding foreign economic links, the priorities involved:

- preserving the existing links and developing new ones;
- adapting export and import to new realities;
- balancing foreign trade;
- attracting foreign direct investment;
- increasing the competitiveness of the economy and commodity production.

In the international arena various opinions about developments in Moldova can be found. According to some observers, after the Baltic States, Moldova is the most Europeanised post-Soviet country: Romanian, one of the official languages of the EU, is de facto the official language, 70% of citizens support integration with the EU structures, more than half of export goes to countries being its members, most economic expatriates work in the EU and, finally, this organization is the main founder of the political and socio-economic changes in Moldova. However, the Soviet burden is indicated, along with weak democratic traditions, a lack of a longer period of own statehood, low legal awareness and poorly developed civil society (Stępniewski, 2011).

4. Foreign links in the context of international organizations and agreements

The development of foreign relations of Moldova was marked by accession to international agreements and organizations. The most important ones are presented in table 1.

In the early years of independence, Moldova sought to maintain economic links with post-Soviet

countries, in particular with those which were part of the Commonwealth of Independent States (CIS), including first of all with Russia. This cooperation played an important role for the Moldovan economy but did not develop it. Over time, the significance of the CIS began to dwindle, while cooperation with neighbouring countries developed, especially those belonging to the Organization of Black Sea Economic Cooperation (BSEC), primarily with Romania and Ukraine.

Joining the WTO in 2001 was an important moment for Moldova. The most difficult area of eight-year-long negotiations was the agricultural economy – the most important branch of the country's economy, especially the rules of subsidising agricultural production. Moldova agreed to reduce this aid by 16% over 4 years. It also ratified most of the sector agreements concluded in the framework of the WTO, except for those related to the wine industry – the key one for Moldova's export. In the first years after joining the WTO, the situation in agriculture worsened: the growth rate of the branch plunged, although after 2004 the situation began to level off.

By joining the WTO Moldova wanted to gain access to wider agricultural markets, especially for its main export good – wine. The objective has been largely fulfilled. Export has doubled, especially outside the CIS countries (<http://trade.ecoaccord.org>).

The accession of Moldova to CEFTA in 2007 also had a big significance for the country's economy and foreign trade. Besides, the member states also share a common goal – joining the EU, which is connected with adaptation of the law to its standards (www.cefta.int).

So far the agreement concluded between the Republic of Moldova and the European Union on 27 June 2014 on nuclear energy has the greatest significance not only for Moldova's foreign links but also for the development of the country (<http://lex.justice.md>).

The agreement on integration of Moldova and the EU provides for the adoption by Moldova of a number of EU legal solutions in almost all spheres

Tab. 1. Moldova's membership in selected international organizations

No.	Organization	The date of accession	The total number of members
1.	United Nations (UN)	2 Mar. 1992	193
2.	Organization of the Black Sea Economic (BSEC)	25 June 1992	12
3.	Commonwealth of Independent States (CIS)	8 Apr. 1994	9
4.	Food and Agriculture Organization of the United Nations (FAO)	1995	194
5.	World Trade Organization (WTO)	26 July 2001	162
6.	Central European Free Trade Agreement (CEFTA)	26 July 2001	6 (7)

Source: Сокиркэ, Мыткы, 2016; www.cefta.int.

of life, including in the field of free trade. Moldova's strategic objective is, however, full membership in the EU. This event will open new prospects for the country's economy (by expanding the market, stimulating investment, changing the law, etc.), its modernization and a free flow of the population.

5. Foreign trade

Foreign trade plays the basic role in Moldova's international links. The main data in this regard are presented in tab. 2. On their basis, we can list the following trends:

- 1) The volume of export had a rising trend with a peak in 2013 (2,428.3 million US dollars), with a temporary dip in 1998-1999, which was connected with the financial and economic crisis of the world economy, in particular in countries that were major trading partners of Moldova, especially in Russia. The latest drop in the volume of export taking place in 2014-2015 (by 19% compared to 2013) is associated both with a crisis in Russia and with the internal economic crisis in Moldova caused by stealing USD 1 billion from financial reserves of the National Bank of Moldova (<http://jurnal.md>).
- 2) The volume of import had a rising trend, with a peak also in 2013 (USD 5,492.4 million) and a temporary drop in 1998-99 and 2009. The causes were similar as in the case of export – the economic crisis in Moldova's major trading partners (Russia and Ukraine). The latest fall in turnover in 2014-2015 (by 27.4% compared to 2013) is a result of the economic crisis in Moldova and

the armed conflict between Russia and Ukraine. Until then these countries were among the top three trade partners of Moldova.

- 3) The trade balance throughout the whole period is negative, with an average level of USD 2,445.2 million in 2005-2015, and in some years exceeding USD 3 billion, which accounted for 50% of the GDP.
- 4) The ratio of import to export (in %) had a decreasing trend from 96.4% in 1991 to the minimum at 32.5% in 2008. In the first years of independence (1991-1995) the average value of coverage was 83.4%, and in the last five years (2011-2015) 44.3%.

Such a large imbalance in the trade balance brings a number of threats for the economy. It is somewhat mitigated by an influx of money from Moldovan economic emigrants mostly working in the EU and Russia, and by grants from the EU and the USA. However, one can observe an increase in foreign debt of the country and increasingly common and deeper pauperisation of the society due to financial inefficiency of the state (low wages in the public sector, low pensions, insufficient funds for education, health, etc.).

In 1991 in the structure of export of the farm and food production prevailed: alcoholic drinks, canned food, juices, cigarettes, sugar, meat and meat products, fresh, frozen and dried fruits and vegetables (Fig. 1). The second place was taken by exports of the light industry products. Both branches together accounted for 79% of export. Compared to that time, on average, the share of agricultural products slightly decreased in the period 2010-2015, while the share of light industry products quite a lot (Fig. 2). Their total share amounted to 62%. The reason was

Tab. 2. Selected data on foreign trade of Moldova in 1991-2015 (in millions of USD)

	1991 ¹	1992 ¹	1993 ¹	1994 ¹	1995	1996	1997	1998	1999	2000	2001	2002	
export	8.1	65.0	701.9	2318.5	745.5	795.0	874.1	631.9	463.4	471.5	565.5	643.8	
import	8.4	92.9	909.2	2733.9	840.7	1072.3	1171.2	1023.7	586.4	776.4	892.2	1038.0	
trade balance	-0.3	-27.9	-207.3	-415.4	-95.2	-277.3	-297.1	-391.8	-123.0	-304.9	-326.7	-394.2	
coverage index ²	96.4	70.0	77.2	84.8	88.7	74.1	74.6	61.7	79.0	60.7	63.4	62.0	
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
export	789.9	985.2	1090.9	1050.4	1340.0	1591.1	1283.0	1541.5	2216.8	2161.9	2428.3	2339.5	1966.9
import	1402.3	1768.5	2292.3	2693.2	3689.5	4898.8	3278.3	3855.3	5191.3	5212.9	5492.4	5317.0	3986.8
trade balance	-612.4	-783.3	-1201.4	-1642.8	-2349.5	-3307.7	-1995.3	-2313.8	-2974.5	-3051.0	-3064.1	-2977.5	-2019.9
coverage index ²	56.3	55.7	47.6	39.0	36.3	32.5	39.1	40.0	42.7	41.5	44.2	44.0	49.3

¹ data in millions of the Moldovan lei (MDL);

² coverage index = (value of import/ value of export) x 100.

Source: Статистический ежегодник ... 1995, 2001; www.statistica.md

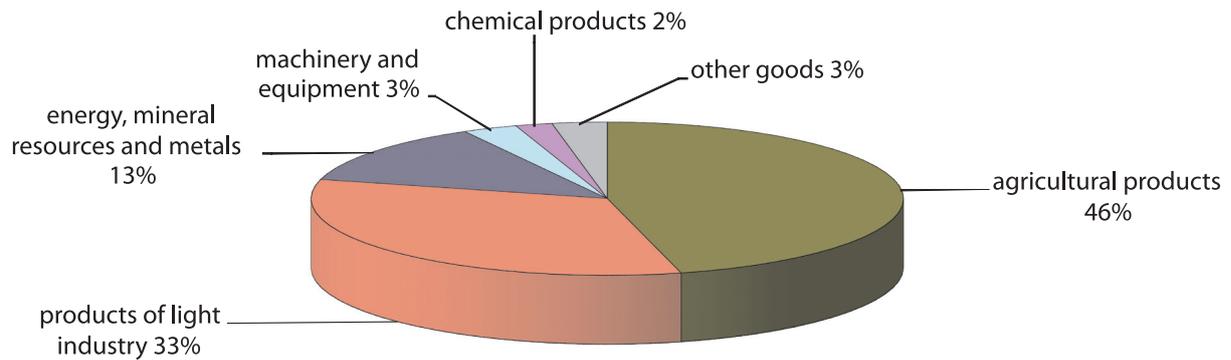


Fig. 1. Export from Moldova with a breakdown by goods (in % of total exports in 1991)

Source: www.statistica.md

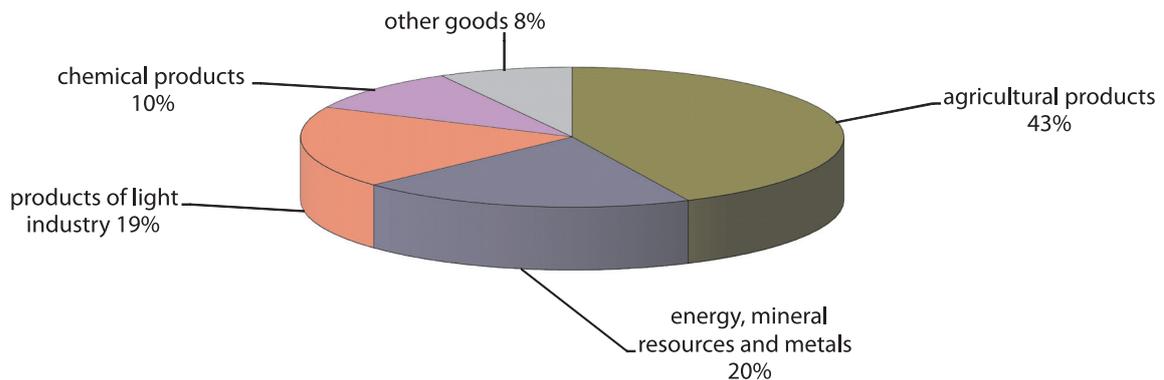


Fig. 2. Export from Moldova with a breakdown by goods (in % of the total export, on average in 2010–2015)

Source: www.statistica.md

not so much the mentioned reduction in subsidies for agriculture as the embargo on some products imposed on Moldova by Russia. Also the percentage of sales of energy, minerals and metals declined. By contrast, the share of metals, machinery and equipment, chemical industry products (paraffin-cosmetic, pharmaceutical), furniture, glass, etc. increased. The reason was the arrival of foreign investors. This structure, however, still reflects specialisation of economy towards agriculture. In terms of value, the export of most goods increased.

The most important export commodity of Moldova is alcohol products: wine, sparkling wine, "divin" – an equivalent of cognac, spirit, liqueurs, vodkas, etc. The mean share of those goods in the total value of exports in 1997–2014 was 20.3%, i.e. about USD 201.5 million per year. This percentage decreased in the last decade, mainly due to the financial crisis in Russia in 1998 and the imposition of an embargo on Moldovan exports by Russia (Fig. 3).

The maximum volume of the share of alcoholic products in exports was in 1998 (33.1%), and the minimum one in 2015 (7.9%). Broken down by types of drinks in 1998 it was respectively: wine – 109.3 million litres (of which 92.8% to Russia), sparkling wine – 5.5 million litres (90.1% to Russia), natural wine wort – 24.7 million litres (52.5% to Russia), vodkas,

liqueurs and other spirits – 0.4 million litres (57.9% to Russia). The imposition of the Russian embargo significantly affected wine producers and resulted in a need to redirect exports, mainly to the EU and Chinese markets, but with little success. In addition, producers increased their offer by shifting some of the production to juices and selling fresh grapes and raisins.

Currently, the walnut is becoming an increasingly important export commodity. In this respect, Moldova ranks first among exporters in Europe and fourth in the world (Сокиркэ, Мьткь, 2016).

According to data from 2014–2015, the biggest Moldovan exporters are Draexlmaier Automotive (car parts), Floarea soarelui (vegetable oils; factories in Bălți), Tirotext (textiles, in Tiraspol), Südzucker-Moldova (sugar, in Drochia and others), Moldabela (carpets; in Ungien), Moldovan Metallurgical Plants (in Rybnica), Natur Bravo (canned foods; in Cupcini, Florești and others), wine production plants: Cricova, Mileștii Mici, and others.

In the goods structure of imports of Moldova, on average in the period of 2010–2015 machinery, devices and metals had the largest share, then energy and mineral resources: petroleum products (petrol, diesel oil, mazut, and others), natural gas, coal and electricity (Fig. 4). This specificity results from the

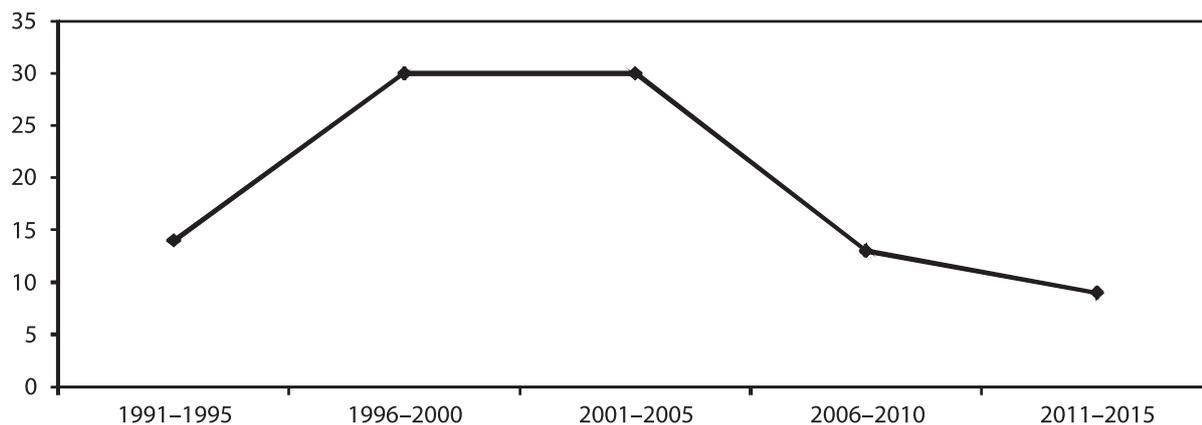


Fig. 3. Participation of alcoholic products in the total volume of exports (in %, on average, in particular years)

Source: www.statistica.md

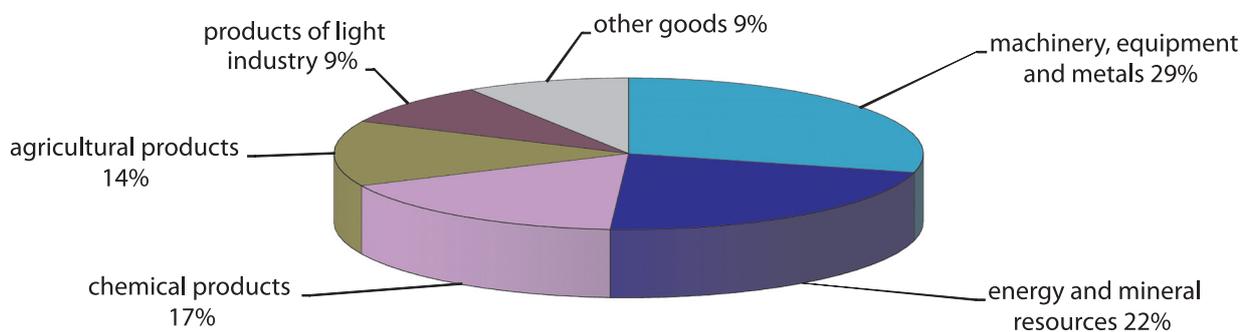


Fig. 4. Import in Moldova with breakdown by goods (in %, the mean for 2010-2015)

Source: www.statistica.md

absence of natural resources and from certain industries in the economy of Moldova.

6. Foreign debt

Permanently persistent negative trade balance is financed with foreign debt. According to data of the National Bank of the Republic of Moldova, its gross value in 2015 was about USD 6.38 billion, which represented 98% of the country's GDP. In absolute terms, the biggest debt was in 2013: USD 6.67 billion, but with a greater GDP this resulted in less relative debt (83.6% GDP) (<http://bloknot-moldova.md>). In fact, most of the debt stems from the sale of gas by Russia to the so-called Transnistria Republic. The companies operating there do not settle their accounts, and Russia charges the debt to Moldova.

7. Directions of foreign trade

Currently, Moldova maintains trade relations with over 100 countries. The major trading partners are EU countries (especially Romania, Italy, Germany and Poland) (Fig. 5), which account for over 50% of the

value of foreign trade, including more than 60% of the volume of exports. Agricultural produce, shoes, tricot, car parts, etc. are sold to these countries, and machinery and equipment, chemical industry products, etc. are purchased from them.

Traditional trading partners also include Russia, Ukraine, Belarus and Turkey, to which mainly agricultural produce is exported and crude oil, chemicals, electricity, coal, garments, knitted fabrics, light industry products, etc. are imported.

8. Foreign direct investment

The total value of foreign direct investment (FDI) located in Moldova since regaining independence is less than USD 3 billion. According to the World Bank data, the value of FDI per capita in Moldova is about USD 300. For example, in other post-Soviet countries – Georgia and Armenia – this value exceeds USD 1,000 per person, in neighbouring Romania USD 3,000 and in Estonia USD 10,000 (<http://capital.market.md>).

Foreign capital is located in all major branches of the economy but most often in communications and the IT industry (especially in

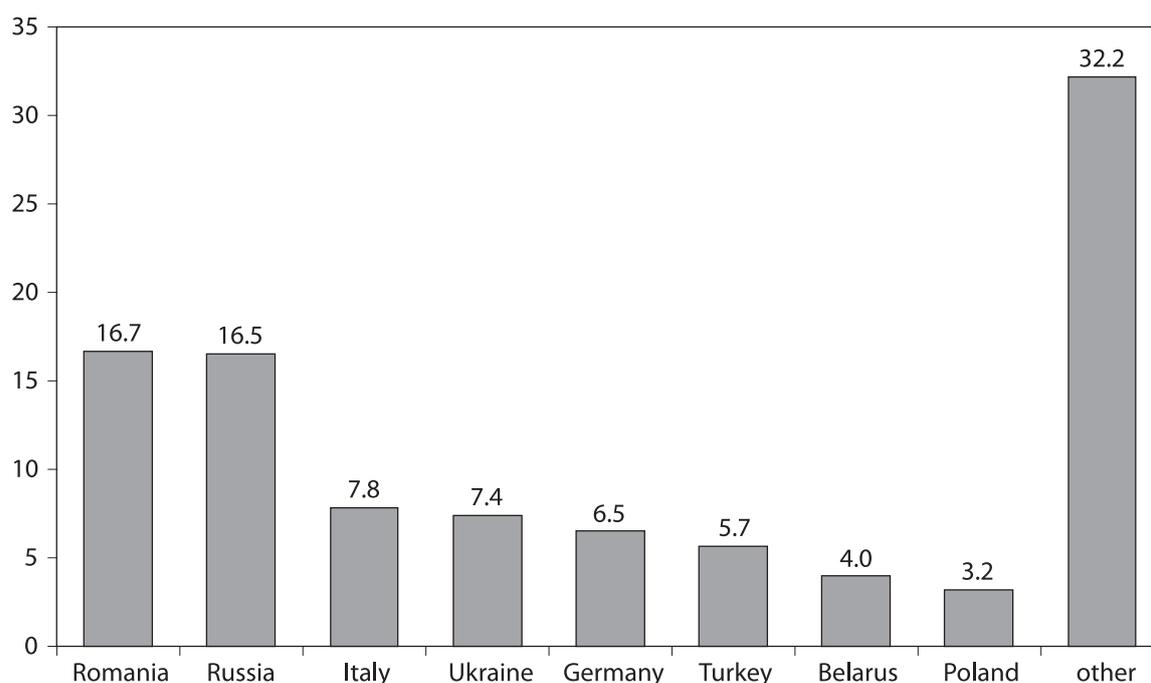


Fig. 5. Directions of foreign trade of Moldova per country (in %, the average for 2013–2015)

Source: www.statistica.md

Tab. 3. Cumulated foreign direct investments in Moldova (as of 01 August 2016)

No.	Country	The number of enterprises	The number of enterprises with foreign capital in the total number of enterprises (%)	The value of investments in million MDL
1.	Netherlands	160	2	2,289
2.	Italy	1,228	12	1,724
3.	Cyprus	303	3	1,447
4.	Russia	951	9	1,146
5.	Germany	404	4	683
6.	USA	379	4	544
7.	Great Britain	232	2	516
8.	Romania	1,600	16	497
9.	Turkey	1,126	11	297
10.	Ukraine	970	9	250
11.	France	225	2	137
12.	Bulgaria	173	2	51
13.	Israel	298	3	43
14.	Syria	231	2	10
	<i>Other</i>	1,946	9	2,614
	Total	10,226	100	12,248

Source: www.cis.gov.md

mobile telecommunications), the power industry, the light and food industry, the banking system, and construction.

Among investors, 52% of the invested capital falls to the EU countries, 11.8% to the CIS countries, and 36.0% to other countries (table 3). The example of Ukraine, however, shows that the Russian capital

lies behind most companies registered in Cyprus (Mađdry, 2002).

According to data of the Ministry of Justice of the Republic of Moldova, 1,600 companies with the Romanian capital operate in the country. Among the major investors are: Rompetrol, Petrom, Romstal, Metro Cash&Carry. The value of money invested by them was 497 million Moldovan lei (MDL).

The Netherlands are a leader in terms of the value of investments (MDL 2.3 billion, i.e. 18.7% of the total FDI). The number of enterprises with the Dutch capital is 160, and these are mainly companies belonging to the food processing industry, banking, transport and retail trade. A Dutch holding company Easur Holding BV, which is a majority shareholder (80%) in the Giurgiulești International Free Port (in the Cahul region), is one of the biggest foreign investors in Moldova.

Romania, Turkey, Italy, Russia and Ukraine have the greatest impact on local markets – investors from these countries deal in billions of euros in companies from the power industry, banking, insurance, retail trade and industry (<http://capital.market.md>).

951 companies with the Russian capital operate in Moldova, with the capital of 1,146 million lei. The biggest ones include Lukoil, Moldovagaz and Moldavian Power Station (known as Moldavskaya GRES) in Dnestrovsc, Transnistria, as well as Topaz, several banks and wine production plants.

Germany takes fifth place in terms of the number of foreign companies (404) with a total capital of 683 million lei. The largest German companies in Moldova include TirezPetrol (crude oil processing), Dräxlmaier Group Automotive (BMW car parts manufacturer), Mercedes Benz, Knauf (producer of construction materials), and Sudzucker-Moldova (sugar mill).

The biggest French companies include bank Mobiasbancă (Groupe Société Générale), Lafarge-Holcim company and Orange – a company operating in the telecommunications market. Overall, 225 companies with the French capital operate in Moldova, with a total value of investments being 125.5 million lei.

The remaining larger companies operating on the Moldovan market include Moldcell (with the Moldovan-Turkish capital, in the mobile telecommunications industry) and Gas Natural Fenosa (a Moldavian-Spanish electricity company).

Relatively small involvement of foreign capital stems from investment barriers of a political, social, infrastructural and economic character. They include:

- a) political uncertainty as to the strategic political objectives and the unresolved territorial dispute with Transnistria;
- b) deep interference of the state in business activities and frequent government interventions;
- c) weak, inefficient, corrupt and unjust judicial system, involved, among others, in the case of appropriation of the majority shares packages of some enterprises important for the economy;
- d) the quality of manpower, poor knowledge of foreign languages;

- e) poor development of infrastructure;
- f) small size of the market, with simultaneously large grey zone;
- g) effects of the economic crisis from the turn of the century and the susceptibility to the influence of political and economic turmoil in Russia and Ukraine.

In order to encourage investors and stimulate economic development, free economic zones have been created in Moldova – investment areas with tax exemptions. Their number has increased in recent years. The largest of these is the Expo-Business Chișinău zone in Chișinău. The others include zones in the cities of Ungien, Bălți, Taraclia, Otaci, Vulcănești and Tvardița.

9. Conclusions

In the global period of growth in the importance of trade and capital links (despite slumps in the recent years), Moldova is situated on the outskirts of the interests of markets. However, foreign economic links are important for Moldova, in particular during the transition from the Soviet centrally-controlled to the market economy.

The structure of export of goods is closely connected with the country's economic specialization, still formed in the Soviet era. The agricultural character of the country determines the exports of mainly foods and the production of light industry. These are lowly-processed and non-tech goods. This means relegation of the country to the periphery of the European economy and little possibility of bridging the gap. On the contrary, this imbalance is increasing, which entails pauperisation of the society.

Despite growing and prevailing trade relations with the EU countries, Moldova's economy is still characterised by strong links with post-Soviet countries. Economic crises in Russia and Ukraine, political decisions and armed conflicts each time have a negative impact on Moldova's GDP and export.

The import structure indicates complementarity to national production (energy and energy resources) and filling in the Moldovan market niches, especially in technological and financial fields. The directions of links in this respect also indicate a high dependency on post-Soviet countries, especially Russia (mainly in the field of energy resources), and in terms of transit on Ukraine and Transnistria.

The deep imbalance in the trade balance results in an increase in the state debt, poverty and, consequently, massive economic migration of mainly young people abroad. Paradoxically, their earnings reduce the imbalance in the balance of payments;

however, in a longer perspective, they are not a solution and do not reduce the debt of the central budget. The unresolved conflict with Transnistria deepens the trade balance and the current account deficit by charging the unsettled by Transnistria accounts to the government in Chişinău. This increases the Moldovan authorities' vulnerability to external political pressure.

The imbalance of payments is only slightly mitigated by the influx of FDI, as the capital links of Moldova are maintained at a low level. Among the existing ones, one should note the increasing share of the western capital, but adding the Russian and Cypriot² investment, investors from these countries take first place in terms of the capital invested in Moldova (in total 21.2%) and second place in terms of the number of enterprises (12.3%). Only subjects from historically and culturally close Romania have a larger number of companies with foreign capital in Moldova; however, the value of the capital invested by them gives these investors only eighth place.

The industry structure of FDI shows a resemblance to the structure of Moldova's economy. Foreign investment does not significantly contribute to the diversification of its structure; on the contrary, one can expect its consolidation, with minor adjustments, mainly in the mobile telecommunications industry (hence the increased import of devices) and the engineering one (production of car parts). Clear political objectives (economic integration with the EU or with post-Soviet countries) would certainly accelerate the economic growth and the development of the country and increase commercial and capital contacts with foreign countries. This choice is a choice of civilisation for Moldova.

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² Thanks to tax-law solutions, Cyprus is a country in which the Russian business is very active, which allows Russian investors to work around a number of sanctions imposed on Russia after the annexation of Crimea.