

ENPI 2011 / 264 459

Logistics Processes and Motorways of the Sea II

Country Profile

MOLDOVA

May 2012



This project is funded by
the European Union



A project implemented by
Egis International / Dornier Consulting



TABLE OF CONTENTS

1	INTRODUCTION	5
2	NATIONAL TRANSPORT POLICY	7
3	LEGAL ENVIRONMENT IN THE FIELD OF TRANSPORT	9
4	NATIONAL POLICY AND LEGISLATION IN TRADE AND TRANSIT	11
5	INVESTMENTS IN TRANSPORT AND LOGISTICS SECTOR IN MOLDOVA	13
6	STRATEGIC CHALLENGES	15
6.1	MARKET CHALLENGES	15
6.1.1	<i>National Trade: Exports and Imports</i>	15
6.1.2	<i>Regional TRACECA Trade</i>	19
6.2	INTERMODAL MARITIME BASED TRANSPORT CHALLENGES	24
6.2.1	<i>Port System and Maritime Links</i>	24
6.2.2	<i>Inland Transport Mode: Railways</i>	29
6.2.3	<i>Inland Transport Mode: Roads</i>	31
6.3	TRADE AND TRANSIT FACILITATION	32
6.3.1	<i>General Presentation</i>	32
6.3.2	<i>SWOT Analysis</i>	33
7	PILOT PROJECTS SELECTED FOR MOS I AND ILC PROJECTS	36

LIST OF TABLES

Table 1: Bilateral Agreements with LOGMOS Beneficiary Countries	9
Table 2: IFI Supported Projects in Moldova	13
Table 3: Distribution of Moldova Potential Trade Partners	16
Table 4: Moldova Potential Trade with TRACECA Countries and Europe	17
Table 5: Potential Trade with TRACECA Region – Commodity Structure of Imports to Moldova	21
Table 6: Potential Trade with TRACECA Region – Commodity Structure of Exports from Moldova	23
Table 7: SWOT Analysis in Trade and Transit Facilitation Procedures	33
Table 8: Selected Pilot Projects in Moldova	36

LIST OF FIGURES

Figure 1: General Map of Moldova	4
Figure 2: Location of Moldovan Customs Houses	11
Figure 3: Moldova Trade Partners	15
Figure 4: Moldova Trade Partners, Potential Trade	16
Figure 5: Moldova Potential Trade with TRACECA Countries and Europe	18
Figure 6: Potential Trade with TRACECA Region – Commodity Structure of Imports to Moldova	20
Figure 7: Potential Trade with TRACECA Region – Commodity Structure of Exports from Moldova	22
Figure 8: GIFF Master Plan	25
Figure 9: GIFF Oil Terminal Facilities	26
Figure 10: GIFF Container Handling Facilities	27
Figure 11: GIFF Office Facilities	28
Figure 12: Moldova Railway Map	29
Figure 13: Moldova Road Map	31



LIST OF ABBREVIATIONS

ADN	European Agreement concerning the International Carriage of Dangerous Goods by Inland Waterways
ADR	European Agreement concerning the International Carriage of Dangerous Goods by Road
AETR	European Agreement concerning the Work of Crews of Vehicles engaged in International Road Transport
AGC	European Agreement on Main International Railway Lines
AGN	European Agreement on Main Inland Waterways of International Importance
AGR	European Agreement on Main International Traffic Arteries
AGTC	European Agreement on Important International Combined Transport Lines and Related Installations
ATP	Agreement on the International Carriage of Perishable Foodstuffs and on the Special Equipment to be Used for such Carriage
ATP	Autonomous Trade Preferences
CIS	Commonwealth of Independent States
CMR	Convention on the Contract for the International Carriage of Goods by Road
EBRD	European Bank for Reconstruction and Development
EDI	Electronic Data Interchange
EIB	European Investment Bank
EU	European Union
EUBAM	European Union Border Assistance Mission
FEZ	Free Economic Zone
GFC	Global Financial Crisis
GIFP	Giurgiulesti International Free Port
IDA	International Donor Agencies
IFI	International Financing Institution
ILC	International Logistic Centre
IWW	Inland Waterways
LOGMOS	Logistics Processes and Motorways of the Sea
MCC	Millenium Challenge Corporation
MOS	Motorways of the Sea
PAIES	Pre-Arrival Information Exchange System
SIDA	Swedish International Development Cooperation Agency
SWS	Single Window System
TA	Technical Assistance
TEN-T	Trans European Network - Transport



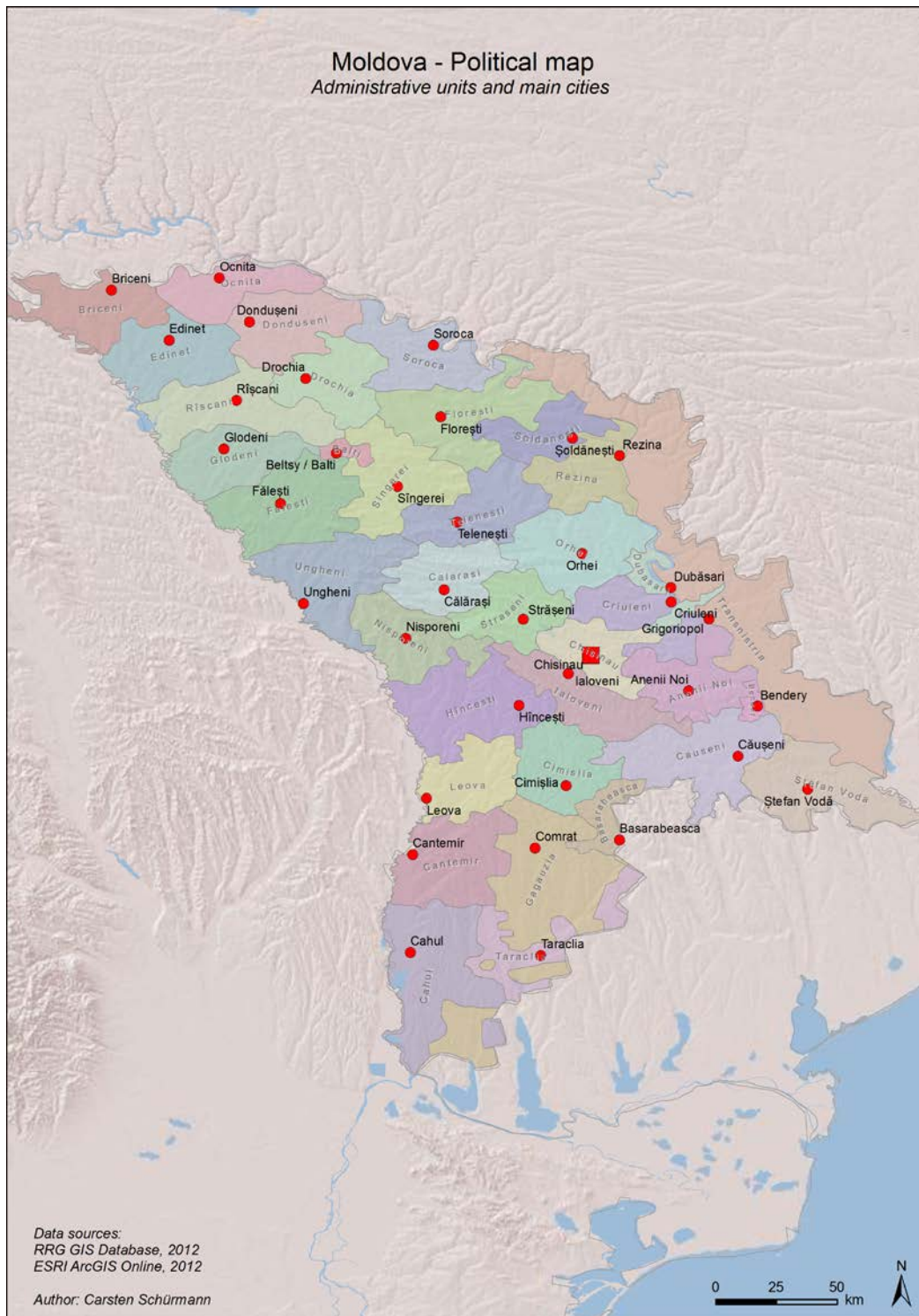


Logistics Processes and Motorways of the Sea II

TIR	Transports Internationaux Routiers
TRACECA	Transport Corridor Europe Caucasus Asia
UN	United Nations
UNECE	United Nations Economic Commission for Europe
WB	World Bank



Figure 1: General Map of Moldova



Source: TRACECA (2011)



1 INTRODUCTION

Moldova is a small south-eastern European country without any maritime borders. It borders Romania to the West and Ukraine to the North, East and South. The Country has an area of about 33,800 km². It is largely dependent on its agricultural sector, particularly on its wine exports. There are no major mineral deposits.

Almost 95% of Moldova's 9.344 km of public roads are paved, though still not in good condition compared to EU road standards. The currently operating length of railway lines of the State enterprise "Moldova Railways" is 1,157 km. Railway infrastructure is well developed and enables transit along the TRACECA corridor.

Two Moldovan inland waterways (Dniester and Prut Rivers) are of international importance. Similarly, Moldova has a stretch of the Danube River bank, with a length of 430 m. The inland waterways have always been used to transport goods and passengers. Navigable waterways for public use have a total length of 558 km.

The country's main international airport is located in Chisinau. It has an air cargo facility, the volumes are small: less than 2,500 t in 2008 including mail. The trend is strongly upward. Even in 2008, when the global financial crisis (GFC) was emerging, there was an increase in volume.

The freight transport and logistics sector is small and it has recently experienced rapid decline. In 2007 the total freight transport volume was 40.8 mln t. In 2009 the figures dropped to 25.9 mln t, as a result of the GFC. The road and rail shares in transport are 82% and 17% respectively. The total freight transportation was 5,865 mln t-km in 2007. In 2009 this had fallen to 3,773 mln t-km only, with rail accounting for 28%. The air and river modes together accounted for less than 0.4% of total freight transport traffic.

There are three TRACECA links important for Moldova: Giurgiulesti – Chisinau; Ilyichevsk – Odessa – Tiraspol (main city of Transdnistria) – Chisinau – Ungeny (across the border from Lasy, Romania); and Klimentovo (Ukraine) – Rybnitsa – Ungeny.

In addition, the following corridors pass through Moldova:

- 2 TEN-T corridors (corridor VII – Danube and corridor IX – road/railway)
- 2 OSJD corridors (corridors 5d and 12) - rail

According to the World Bank Logistics Performance Index 2012, Moldova downgraded its ranking from number 106 in 2007 to number 132 out of 155 in 2012. The overall rank is composed of the following components:

- | | |
|---------------------------|----------|
| • Customs | rank 129 |
| • Infrastructure | rank 98 |
| • International shipments | rank 145 |
| • Logistics competence | rank 142 |
| • Tracking & tracing | rank 116 |
| • Timeliness | rank 126 |

With the completion of the railway link from Chisinau to Giurgiulesti, there are no significant missing links in Moldova's transport infrastructure network. However there are still some major bottlenecks which should be considered:

- There is an absence of high-quality logistics facilities and services all over the country.



Logistics Processes and Motorways of the Sea II

- The road network needs rehabilitation and ongoing adequate maintenance. Upgrading is necessary on the north-south motorways (M13 Belsty-Chisinau and M3 Chisinau- Giurgiulesti). These needs are recognized and projects have been formulated and partially funded. Implementation is under way.
- A major bottleneck is the separation of Transdnistria, cutting off some of the most developed regions of the country and cutting traditional road and railway connections to Ukraine. The solution of this problem is subject to political decisions.