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ICT COUNTRY PROFILE

MOLDOVA

2011

REGIONAL COMPETIVENESS INITIATIVE

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I. EXECUTIVE SUMMARY

The purpose of this report is to provide an outside look at the ICT development in Moldova and to identify the possibilities for regional ICT cooperation. The desktop research should reveal the national strategies, policies and action plans for ICT development from one side and the activities held in that direction from another. The overall goal of the report is to disclose the real picture of the local ICT market and identify the possibilities for regional cooperation.

In order to be as objective as possible the author of the report used different researches, analyses and statistics from international organizations (World Bank, World Economic Forum, United Nations, etc.) and domestic state agencies and profit and non-profit organizations. The respective sources are quoted as footnotes at the end of each section.

The IT market in the Republic of Moldova is still not large enough to be compatible with the more developed ICT industries in other countries but yet it has a high growth potential.

Several factors from the competitiveness potential of the Moldovan ICT Industry are:

- The Moldovan IT sector has high potential in terms of production and export development of software products and services. This potential is supported by the development of the Moldovan ICT sector, the level of IT education, language abilities and professional skills in the sector.
- Quality certification (ISO 9001, ITMark, CMMI) initiated by a number of Moldovan companies.
- Active association aimed at supporting the common interests of Moldovan IT companies.
- IT industry is recognized by Moldovan authorities as an important factor for the economic development of the country.
- The Ministry of Information Development.
- Introduction of IT-privilege – an income tax exemption for IT companies.
- Highly competitive labor costs.
- Geographic location suitable for collaboration with EU partners.
- Businesses have the necessary prerequisites (language skills and location) for Central and Eastern European and Russian markets.

In 2010 Moldova was the first country to join the World Bank's e-Transform Initiative, which was launched in April 2010 as a major new initiative to use the transformative power of ICTs to enhance developing countries' delivery of government services. In August 2010 the World Bank Group President Robert B. Zoellick joined Prime Minister Vlad Filat of Moldova as a participant in the Moldova E-Transformation Forum in Chisinau. The forum was the first of a series of events aimed to support and increase Moldova's advances in information and communication technologies (ICT).¹

¹<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTINFORMATIONANDCOMMUNICATIONANDTECHNOLOGIE/S/0,,contentMDK:22675212~menuPK:282859~pagePK:64020865~piPK:149114~theSitePK:282823,00.html>

II. ANALYSIS OF THE ICT SECTOR IN MOLDOVA

A. PAST, PRESENT AND FUTURE TRENDS

Information and communications technologies (ICT) are an important part of Moldova's economy. The country has strong traditions in the field since during the Soviet era it was a regional hub for production of electronics and military technology. For that reason there is a large pool of highly skilled professionals in Moldova. The government is trying to use this prerequisite in order to make the national ICT industry competitive on international level. Besides the government and different organizations are actively promoting the development of ICT services in the country and supporting local ICT companies, which are specialized in software development, especially for security applications, telecommunications and microelectronics. Furthermore the university graduates in Moldova are still well prepared in terms of technical competencies and as a result Moldova has a continuously-growing supply of young workforce.

The software black market in Moldova was a stone wall for the development of the local ICT market. The prices of the pirate software were so low that the local companies were not able to compete with them. This had a negative impact on the foreign direct investments.

The growth in the industry is driven mainly by the demand for high-tech products and services across Western Europe, Russia, and the United States. The country is a net importer of computer products and services, with the exception of data base development.

There are a number of companies providing services to the European and USA markets. The rapid growth of these companies indicates that there is a strong demand for the specific services they offer. On this ground it can be assumed that at least a few companies meet global benchmarks for innovation.²

Most of the data related to the development of the sector could be found on the website of the Ministry of Information Technology and Communication of the Republic of Moldova.³ The other source of current information about the ICT sector is the Association of the Private ICT Companies in Moldova. The Association published a Policy White book for the Moldovan ICT sector in 2009. The research presented the state of the ICT sector, the opinions and recommendations of the leading private ICT companies and recommendations for future development.

According to data from 2009 there are more than 1.140 mln fixed-line subscribers, which indicate a 32% penetration rate. There are almost 2.8 mln. cellular subscribers, which makes a 78% mobile penetration rate. There are 4 wireless providers: 3 GSM and 1 CDMA2000. Three wireless providers out of four provide 3G services in W-CDMA standard. The broadband penetration rate at fixed location constitutes 5%. About 45% of the country's population has access to the Internet at fixed and mobile locations.⁴

One of the weak sides of the ICT industry was the discrepancy between demand and supply of ICT training, consulting, systems integration, support and information services. This however has changed with the establishment of Cisco Networking Academy, Microsoft IT Academy, Moldovan Association of Private ICT Companies, QLab Moldova and others.

² <http://www.rotobo.or.jp/jouhoukan/moldovainvest2008.pdf>

³ http://www.mdi.gov.md/intergeurop_en/ - Ministry of Information Development

⁴ http://www.miepo.md/public/files/ICT_Sector.pdf

The demand for ICT consulting and outsourcing is increased during the last years. Gradually Moldova is turning into one of the attractive outsourcing destinations in Central and Eastern Europe. There are around 70 companies offering outsourcing services. In 2009 the volume of the ICT outsourcing market amounted to 54 million dollars. The outsourced call centre is a new business model in Moldova. The country is highly suitable location for such activities because of the high overall level of education and language skills.⁵

COMPETITIVE INDEXES AND DATA⁶

	Population (m)	GDP \$ (b)	GDP per capita \$	WEF GCR index Rank (value)	GCR innovation Rank (value)	WEF GITR Rank (value)	E-gov. development Rank (value)	E- participation Rank (value)
Albania	3,2	11,8	3,7	88(3,94)	121(2,57)	87(3,56)	85(0.4519)	86(0.1286)
Armenia	3,1	9,3	3	98(3,76)	116(2,63)	109(3,24)	110(0.4025)	135(0.0429)
Azerbaijan	8,9	51,1	5,7	57(4,29)	61(3,16)	70(3,79)	83(0.4571)	68(0.1714)
BiH	3,8	16,9	4,5	102(3,70)	120(2,59)	110(3,24)	74(0.4698)	135(0.0429)
Georgia	4,4	11,7	2,6	93(3,86)	121(2,51)	98(3,45)	100(0.4248)	127(0.0571)
Kosovo	1,8	5,6	3,1	n/a	n/a	n/a	n/a	n/a
Macedonia	2,1	9,1	4,4	79(4,02)	97(2,88)	72(3,79)	52(0.5261)	55(0.2143)
Moldova	3,6	5,8	1,6	94(3,86)	129(2,49)	97 (3,45)	80(0.4611)	58(0.2000)
Montenegro	0,6	4	6,4	49(4,36)	45(3,48)	44(4,09)	60(0.5101)	76(0.1571)
Serbia	7,3	39,1	5,4	96(3,84)	88(2,93)	93(3,52)	81(0.4585)	135(0.0429)
Ukraine	45,8	138	3	89(3,90)	63(3,11)	90(3,53)	54(0.5181)	48(0.2571)

B. ICT ASSOCIATIONS

Moldovan Association of Private ICT Companies - <http://www.atic.md/front>

Moldovan Association of Private ICT Companies was established in 2008. The Association promotes the development of the ICT sector in the Republic of Moldova through viable partnerships with private companies, similar organizations, state institutions and international organizations in order to:

- Enhance the competitiveness and development of the sector and company capacities;
- Enlarge the market;
- Attract investments in the country;
- Participate in the decision making and regulatory process on national and international level.

Information Society Development Institute (ISDI) - <http://idsi.md/en/home>

Strategic direction - Efficient use of human, natural and information resources for sustainable development.

Scientific direction - Development of information society platform in the Republic of Moldova, and assurance of scientific support for integration in the European information area.

Institute of Mathematics and Computer Science - <http://www.math.md/en/about/>

The Institute of Mathematics was formed in 1964 on basis of Mathematical Department of the Institute of Physics and Mathematics, founded in 1961.

⁵ http://www.miepo.md/public/files/ICT_Sector.pdf

⁶ http://www2.unpan.org/egovkb/global_reports/10report.htm ; <http://www.worldbank.org/>
<http://gcr.weforum.org/gcr2010/> ; <http://www.networkedreadiness.com/gitr/>

The main objectives of the Institute are to: maintain existing research domains, develop new directions in line with the needs of the Moldovan Republic, integrate into the world science, train highly qualified specialists.

DNT - <http://www.dnt.md> – the website is not available in English.

DNT is an NGO aiming to contribute to the development of ICT in Moldova.

Association of Moldovan Programmers (AIM) – www.aim.md

AIM was founded in 1996. The organization is a non-profit public association operating in accordance with the Moldovan legislation. AIM is a legal person, associated with the professional community of computer science and computer engineering.

C. PROFILE OF SELECTED COMPANIES

The ICT industry is one of the most rapidly developing in Moldova. It makes 10% of the country's GDP. Software development is one of the most developed subsectors of the industry. Local software companies export over 70% of their production. The main fields of specialization of Moldovan companies are: content management applications, billing and accounting applications, banking systems, encryption utilities, e-commerce applications, and electronic post programs.

Approximately 20 relatively large companies dominate the legitimate market, typically with 25 to 100 employees. The other firms are mostly small operations, with 1-10 employees. Most of the companies are privately owned and operated, but there are still a number of state-owned enterprises providing services, the Department of Information Technology being the main one.

Some of the leading ICT companies in Moldova are:

ALLIED TESTING (<http://www.alliedtesting.com/>)

Allied Testing is a leading Moldovan company specialized in QA and testing. The company works mainly with the capital markets, trading and finance industry. Allied Testing has offices in USA, UK and Cyprus, with its test labs based in Moldova, Belarus, Russia and Argentine.

Alfa XP Web Software Company, LLC (<http://www.alfa-xp.com/default.aspx>)

This is a private software development company, with offices in Ashburn, VA (USA) and in Moldova (Eastern Europe). The company works as a software development outsourcing center. Alfa XP is specialized exclusively in the latest Microsoft .NET technologies and has developed its own set of tools, methods and templates. The company is both ISO 9001 and ITMark certified which is a proof for the quality of its product and services.

Deeplace (<http://www.deeplace.md/en>)

Deeplace is one of the leading Moldovan companies specialized in software development and web design and development. The company is also an outsourcing center. Deeplace has won numerous awards at the WEBTOP (National Internet competition "WebTop", conducted within the Information Technologies Week in Moldova). The company is ISO 9001 and ITMark certified.

Endava (<http://www.endava.com/en.aspx>)

Endava is a private IT services company with offices in UK, USA, Romania and Moldova. The company actively supports the CompuDava Foundation, which aims to promote the use of IT and communications technology, in Moldova's education and health sectors. Furthermore Endava is committed in supporting and promoting education. The company is collaborating with leading Eastern European universities, offering excellent career opportunities

for talented graduates, organizing free trainings for recent graduates on topics such as software development and testing, sponsoring a software engineering course at the Technical University in Chisinau and the participation of the best IT students in Moldova in Informatics Olympiads and other regional IT competitions.

Endava has also developed a special University program in order to support the professionalization of its employees. The program has 5 main directions including: Management Training program, Information Technology training program, Trade & Commerce training program, Awareness training program, EnterTraining program.

QSystems Ltd. (<http://www.qsystems.md/index.html>)

The company was established in 2001. It develops On-Line technologies based on Internet/Intranet solutions. The company is specialized in the production of information systems for management and accounting in financial organizations; direction of electronic payments; business management via Internet. The company is ITMark certified.

ADDITIONAL COMPANIES

A list with some of the leading companies in the country can be found at: <http://www.ict.md/membership2>.

D. ACADEMIC PROGRAMS

Technical University of Moldova - <http://www.utm.md/index.php?lang=ro>

Faculty of Computer, Informatics and Microelectronics

State University "Bogdan Petriceicu Hasdeu", Cahul <http://www.usch.md/index.php/en/facultati/-facultatea-de-economie-informatic-i-matematic>

Faculty of Economics, Mathematics and Informatics

Tiraspol State University - <http://www.ust.md/facultati/fmti>

Faculty of Physics, Mathematics, Information Technology

Moldova State University - <http://www.usm.md/?mode=967>

Faculty of Mathematics and Informatics

Although Moldova is a small country, it has a relatively high level of education. The education system in the country is focused on the personal development of the students and guarantees equal access to education, regardless of nationality, gender, race, age, origin and social position, political or religious views. Reforms for modernization of the education (curricula, teaching methods and textbooks) and elimination of the ideological content in them were implemented. A number of initiatives aimed towards improvement of vocational training and educational management have been started.

A number of projects implemented with the support of international organizations like the World Bank, the European Training Foundation, UNICEF and the Soros Foundation aimed to improve education and adapt it to the demands of the new social, political and economical environment.

According to the survey for the educational system in Moldova made by UNESCO Institute for Statistics in 2008 19.8% of government spending went to education. The data also shows that the literacy rates of the youth in Moldova (15-24 years) are 99,5% which is above the average for the region – 98,8%.⁷

E. STATE AGENCIES AND ORGANIZATIONS

Ministry of Information Technology and Communication - <http://www.mtic.gov.md/en/>

The functions of the Ministry include: elaboration, implementation and monitoring of state politics for ICT, creation of development strategies, analysis of the ICT sector on national and international level, implementation of different projects, etc.

The State Information Resources Center “Registru” is agency actively collaborating with the Ministry and supporting the realization of its activities.

Moldovan Investment and Export Promotion Organization (MIEPO) -

<http://www.miepo.md/index.php?l=en>

The Moldovan Investment and Export Promotion Organization’ supports the business development of Moldova and promotes the partnership with Moldovan companies. Other activities of MIEPO include: promotion Moldova as an attractive investment destination for foreign investors; improvement the investment climate framework; attraction of direct foreign investments.

The organization attempts to facilitate and mediate the contact or cooperation between foreign investors and local or governmental institutions in order to implement the investment projects.

Moldova-Belgium-Luxemburg Chamber of Commerce - <http://www.ccmbi.md/>

The main aim of the Moldova-Belgium-Luxemburg Chamber of Commerce is to facilitate the contacts between foreign and Moldovan companies.

Academy of Science of Moldova – www.asm.md

The Academy of Sciences of Moldova (A.S.M.) is a scientific public institution acting as a plenipotentiary coordinator of scientific and innovation activity and scientific consultant of the public authorities of the Republic of Moldova. The academy has an autonomous statute and acts on the basis of self-administration principles.

F. NATIONAL STRATEGIES AND POLICIES FOR ICT DEVELOPMENT

The government of Moldova declared the implementation of e-government as its main priority in 2005. The **National Strategy for Building an Information Society “Electronic Moldova”** was adopted the same year.

In the beginning of 2005 the **IT-privilege** was adopted. It envisages 5 years release from income tax payment for the IT companies (if they correspond to the conditions) and IT specialists. These were the first real steps of Government support of the IT industry.

⁷ <http://www.ibe.unesco.org/en/worldwide/unesco-regions/europe-and-north-america/republic-of-moldova/profile-of-education.html>

In 2008, the Republic of Moldova adopted its **National Development Strategy** for the period 2008-2011. In connection with the IT development of the country, the strategy envisaged development and implementation of an appropriate information infrastructure on various levels. As part of the infrastructure plan, an education information system – for the education sector and a new system for the National Bureau of Statistics are supposed to be built.⁸

In May 2010 an international e-government summit called "Information and Communication Technology for better governance" was held in Moldova. The best international practices on application of ICT in e-governance, e-education and e-health were presented.

G. DONOR PROGRAMS IN THE IT SECTOR

USAID

Since 1993 the US Agency for International Development (USAID) provides technical assistance to Moldova. USAID launched the **Competitiveness Enhancement and Enterprise Development (CEED)** program aimed at supporting the Moldovan economy. One of the fields envisaged to be supported by the project is the ICT sector. The second part of the project **CEED II** was launched in 2010. The project builds upon the results from CEED I and continues by supporting the improvement of the competitiveness in key Moldovan industries. The project continues to provide support to the same three industries funded under the previous project: information technology, textile and apparel, and winemaking. The goal of the project is to increase trade and investment in each of these industries from one side and strengthen the dialogue between the private sector and the government from another. In order to improve the competitiveness, CEED II helps the selected industries to:

- Make better use of technology;
- Improve business processes and the quality of products and services;
- Develop a workforce capacity;
- Properly position and promote products and services within the respective industries.

Industry associations and member-based organizations related with the targeted industries are also supported by the project. CEED II fosters the development of private sector capacity for advocacy and policy analysis, while increasing public sector understanding of private sector concerns and the necessary actions for improvement of the conditions for growth in key industries.

WORLD BANK

The **Moldova Competitiveness Enhancement Project (CEP)** is funded by the World Bank and aims to increase the competitiveness of Moldovan enterprises through improvement of the business environment and modernization of the metrology, standards, testing and quality (MSTQ) systems. The project has four components: 1. Business Environment Component; 2. MSTQ Component; 3. Business Development Component; and 4. Finance Component. The World Bank (WB) estimates the total project cost at US\$ 14,300,000 (previously US\$ 10 million). The project was approved on the 27th of October 2005.

In 2009 the World Bank granted additional credit to the project in order to increase the impact and effectiveness of CEP in the conditions of the economic and financial crisis. The expected results from the project are easier access to credit and business development services for private enterprises and improved ability of Moldovan banks to provide term financing to the enterprise sector.

⁸ <http://imf.org/external/pubs/ft/scr/2008/cr08143.pdf> - National Development Strategy (2008-2011)

UNDP

UNDP is implementing the **Building e-Governance in Moldova** project together with the Ministry of Information Development, Ministry of Finance and Main State Fiscal Inspectorate, Academy of Public Administration, World Bank, SOROS Foundation, private sector, Academia, NGOs.

The project will intensify the use of Information and Communication Technologies in public administration institutions and thence raise the efficiency and transparency of their work. The project will facilitate the implementation of the objectives of the National Strategy 'e-Moldova'. The project objectives include: Evaluation of the ICT skills of the state officials and the existing ICT infrastructure in public authorities; recommendations for effective usage of ICT in government processes; Assistance in the creation of a regulatory framework for e-governance and a mechanism for implementation of on-line services; Raising the awareness of the public on e-governance benefits; Raising the ICT skills of state officials through different trainings and creation of a customized certification system; Establishment of special standards for governmental websites; Elaboration of a model of e-Governance portal and a launch of e-service for citizens.

EU

The Academy of Science of Moldova (ASM) is an active partner in the **Eastern Europe and Central Asia (EECA) ICT cluster**. The initiative is supported by the European Commission under the Information and Communication Technologies Thematic area of the 7th Framework Programme (FP7-ICT). It aims to promote the ICT R&D collaboration between the EU and the EECA countries and facilitate the dissemination of information about research activities under FP7-ICT.

H. EXHIBITIONS, CONFERENCES AND EVENTS

MAIN EXHIBITIONS IN MOLDOVA

The major events to be held in the Republic of Moldova in 2011 are the following:

May 18-19	Moldova ICT Summit
15 March – 1 May 2011 – Publication of the materials and registration; 1 May – 15 May 2011 – Evaluation; 17 May 2011 - Award ceremony;	Best Media ICT Product
2011, TBD	The 17th International Specialized Exhibition 'COMINFO MOLDOVA' 2011

The desktop research reveals that there is not enough current and easy-to-find information about forthcoming events connected with the ICT development of the country and future activities related to it.

I. IT NEWS: SOURCES OF INFORMATION

The East European Foundation (EEF) of Moldova is a non-profit organization established with the support of the United States Agency for International Development (USAID) and other donors. The EEF is part of the Eurasia Foundation Network. In order to support the media development in the country the East Europe Foundation Moldova launched several initiatives under its Good Governance program.

The Media Management for Emerging Independent Outlets project supports the development of sustainable media in Moldova.

Developing a Viable Media in Moldova – Two organizations aimed to improve and strengthen the media in Moldova were created under this project: the Audit Bureau of Circulation and Internet (BATI) and the Independent Press Council (IPC).

Support for the Independent Press Council Project

The project supports the work of the print media in Moldova.⁹

There was a lack of specialized IT media in Moldova. However this trend has changed. Recent news for the ICT sector can be found on the websites of IT related organizations and associations. There are also websites like **Moldova Innovation** (http://innovation.gov.md/?page_id=17) which follows the latest news and tendencies about the eGovernment development, the eReadiness and innovations in the country.

ADDITIONAL INFORMATION

A list of the Moldovan media sources can be found on <http://www.abyznewslinks.com/moldo.htm>.

⁹ http://www.eef.md/index.php?option=com_content&view=article&id=12&Itemid=12&lang=us

III. IT FOR OTHER INDUSTRIES IN THE COUNTRY

There is a high level of awareness regarding the importance of implementation of ICT in other industries in order to raise the country's competitiveness and there are a lot of initiatives in this direction.

Among the IT industry sub sectors the industrial hi-tech companies that produce specialized machinery are worth mentioning. Such plants and research institutes also have IT departments that produce specialized embedded software (usually in Assembler) for their devices. Such companies are not meant to export or sell their IT skills. The market size of this service is impossible to estimate as they are not sold separately from the machinery.

The web platform IT2Business (<http://it2business.org/default.aspx>), an online catalogue with successful practices and Information Technology (IT) solutions for the business, is aimed at increasing the ICT competitiveness in Eastern Europe and Caucasus. The platform is designed and launched by USAID funded RCI (Regional Competitiveness Initiative) project through European Software Institute - Center Bulgaria and Eastern Europe to bring together the leading ICT companies in the region and their customers and suppliers. It fosters the direct contact between IT and other economic sectors. This enables the promotion of the local industry and the region as a whole. Currently there are 51 companies and 117 products/solutions registered in the platform. Six Moldovan companies are part of the online catalogues IT2Business.

IV. QUALITY TENDENCIES

Working in compliance with the international quality standards is one of the obligatory prerequisites for developing a competitive ICT industry and gaining strong positions on the international market for every country.

In the past the most advanced IT companies in Moldova trained their staff abroad due to the lack of specialized local training organizations in the country. With the support of international organizations and donors this has changed and organizations like Moldovan Association of Private ICT companies and Qlab Moldova were established. Despite the registered progress a lot more needs to be done in that field.

There is evidence that a few companies produce goods and services of sufficiently high quality to compete on the international markets. A look at the industry standard measures of quality and reliability reveals that some of the leading companies in Moldova have already achieved quality certifications (ISO 9001, ITMark, CMMI). Nevertheless the implementation of such standards and models is expensive and unaffordable for most of the companies. For that reason they are looking for funding opportunities in order to start the implementation of quality standards and models.

On this ground one can assume that process improvement initiatives in the country would be of great interest for the local companies and training organizations.

The Moldovan IT companies are fully aware of the benefits to be part of the common capacity fund of ICT training and certification providers in Eastern Europe.

In this direction the web platform Quality2IT – Eastern Europe Training and Certification Network, provides excellent opportunities to participate in the establishment of a common regional ICT brand based on high quality and innovations. The platform is designed and launched by USAID funded RCI (Regional Competitiveness Initiative) project through European Software Institute - Center Bulgaria. For the time being there are 19 companies with 90 services registered in the platform. There are still no Moldovan companies in the Quality2IT online portal.

V. SWOT ANALYSIS

The SWOT analysis of Moldovan ICT environment shows conclusions as follows:

Strengths

- History of specialization in electronics dating from Moldova's participation in the USSR defense system
- High level of IT education and permanent young specialists inflow in the sector
- IT industry is recognized by Moldovan authorities as an important factor for economic development
- IT companies and employees of IT companies are exempted from income tax payment for a period of 5 consecutive years
- Highly competitive cost of labor
- Continued robust growth of the industry
- Market access and regional market potential
- Geographic location suitable for collaboration with EU partners
- Well-developed banking system and international accounting standards
- Businesses have language and localization skills for Central and Eastern European and Russian markets.

Weaknesses

- Product quality suffers from insufficient emphasis on continuous process improvement
- Lack of financial resources, available for investing in quality improvement
- Skill shortages at the level of technical writers, testers and project managers
- Lack of marketing expertise and personnel in Moldovan IT companies
- Lack of consecutive Governmental policy regarding the sector's development
- Inability for IT companies to get finances for development
- Inadequate legislation in the domain of IT
- Limited internet access in the province
- Company size and resources of many ICT companies are too small for international expansion
- Absence of a well-established country image as an IT destination
- Lack of marketing and brand building strategy.
- Lack of quality certification and development methodologies

Opportunities

- Implementation of world recognized models and practices
- Moldovan residents have a good language facility and are generally competent in three languages – Romanian, Russian and English
- Programmers have good contacts with the Russian market
- The average salary in the IT industry is lower in comparison to earnings in CEE countries and way under Western European earnings
- The GMT+2 time zone puts Moldovan (and other East European) software producers in more favorable for EU customers conditions.
- Creation of an organization/association which will represent the interests of local software companies
- Creation of strong sales and service channels
- Partnerships with the leaders of the worldwide computer market
- Partnerships with significant foreign companies can subsequently support the „professionalization“ of ICT companies

- Strategic alliances with foreign companies to increase exports
- One of the lowest corporate taxes in the region –15% and extended fiscal incentives on investments
- Development of own products
- Clustering with other competitive sectors in Moldova and the region
- Large emerging global IT market for offshore development
- Support of world organizations (USAID, UNDP, World Bank...)

Threats

- Relatively high taxation
- High per hour pay rate in comparison with Indians and Pakistani
- Lack of a coherent industry image
- Brain Drain of leading IT specialists
- Development of IT industry mainly based on low cost advantage
- Lack of support programs for industry promotion
- Political instability

CMMI IMPLEMENTATION CAN SUPPORT FOLLOWING OPPORTUNITIES:

- Implementation of world recognized models and practices
- Partnerships with the leaders of the worldwide computer market
- Partnerships with significant foreign companies can subsequently support the 'professionalization' of ICT companies
- Development of own products
- Large emerging global IT market for offshore development
- Clustering with other competitive sectors in Moldova and the region

CMMI IMPLEMENTATION CAN HELP MITIGATE THE FOLLOWING WEAKNESSES

- Product quality suffers from insufficient emphasis on continuous process improvement
- The Moldovan companies are not taking into account the need for implementation of the latest standards relevant to the IT companies
- Skill shortages at the level of technical writers, testers and project managers
- Lack of certification and accreditation in project management
- Absence of a well-established country image as an IT destination
- Lack of marketing and brand building strategy. Insufficient promotion and market development funding resources.

For further information please do not hesitate to contact the RCI IT team in ESI Center Eastern Europe, office@esicenter.bg, tel. +359 2 4899740