

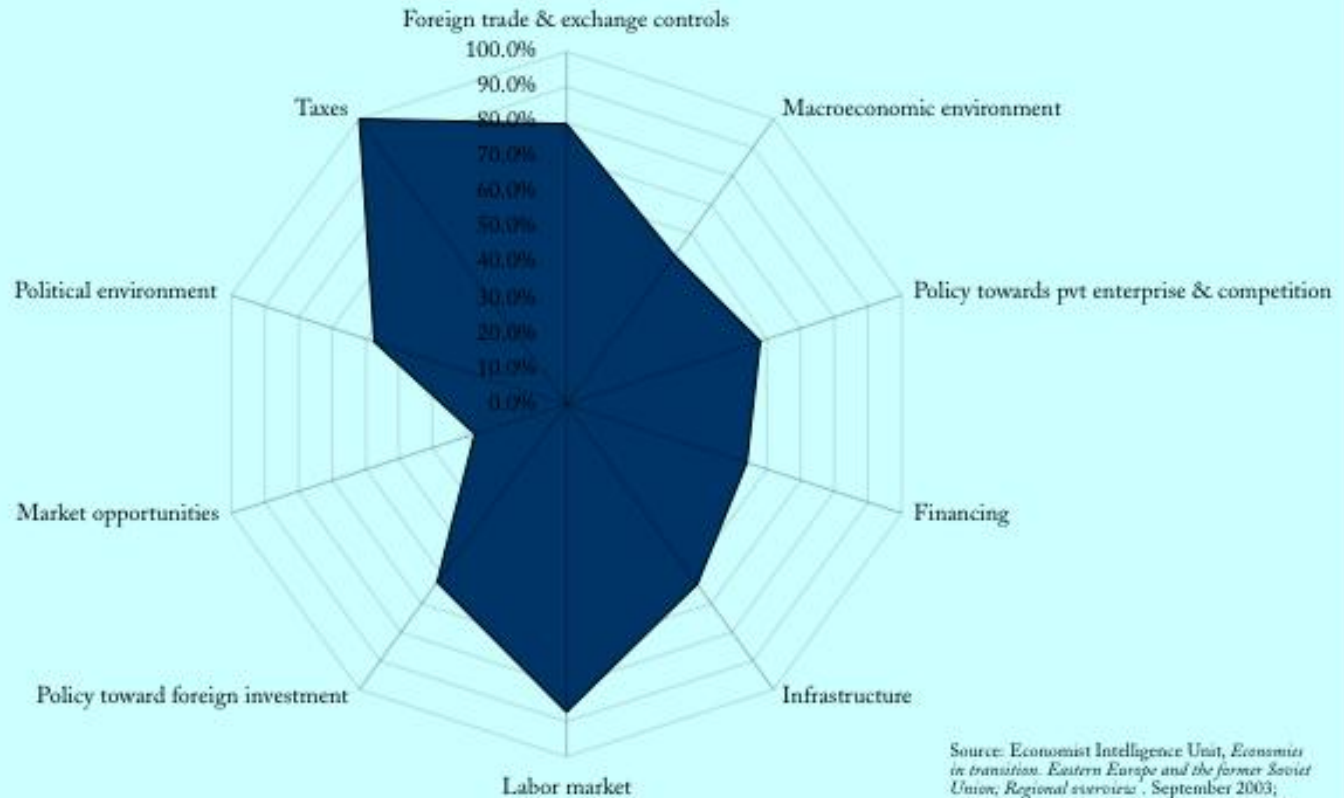
Competitiveness framework for Moldova & USAID implication (ICT sector)

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**5th RCI Regional Competitiveness Event for
E&E**

Sarajevo, Bosnia and Herzegovina, May 18 - 20, 2010

Business environment: Moldova vs. new EU members



Source: Economist Intelligence Unit, *Economies in transition. Eastern Europe and the former Soviet Union. Regional overview*, September 2003; Moldova's business environment scores for 1998-2002 are shown relative to the average for East-central European countries and the Baltics.

Competitiveness ↔ innovation

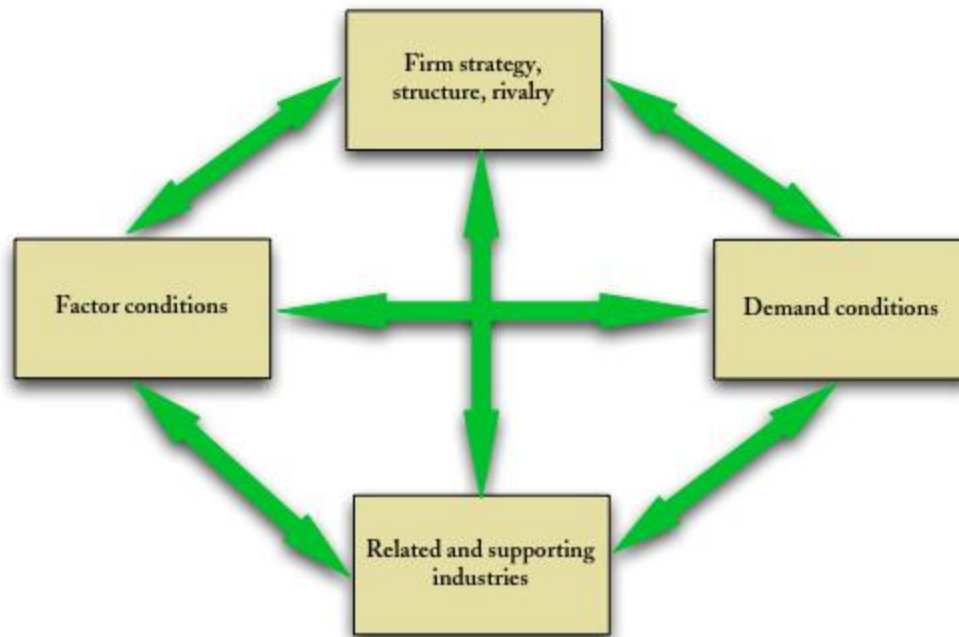
Competitive advantage

Competitiveness

Productivity

Innovation

The Porter cluster diamond



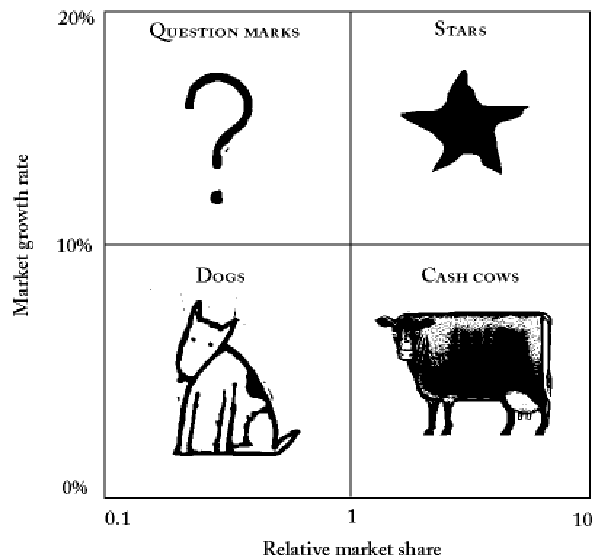
Choosing priorities

- Cluster appraisal
- Value chain analysis
- Porter's "diamond"
- The resource-based view (RBV) – core competencies

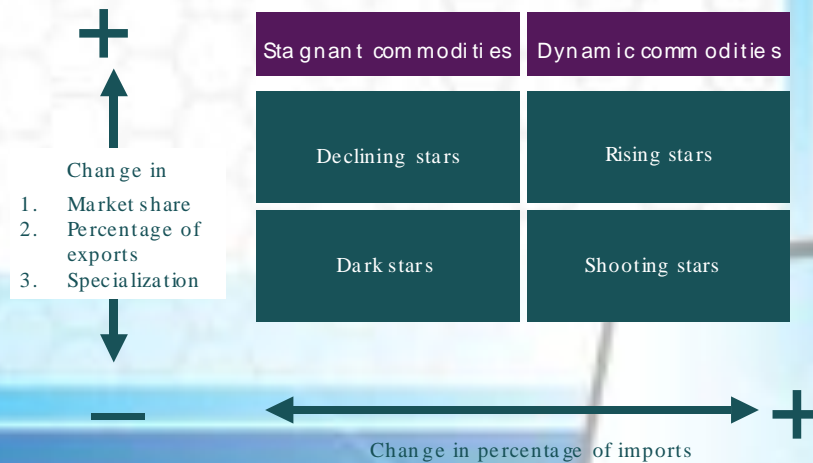


Assessing competitive performance: Strategy tools

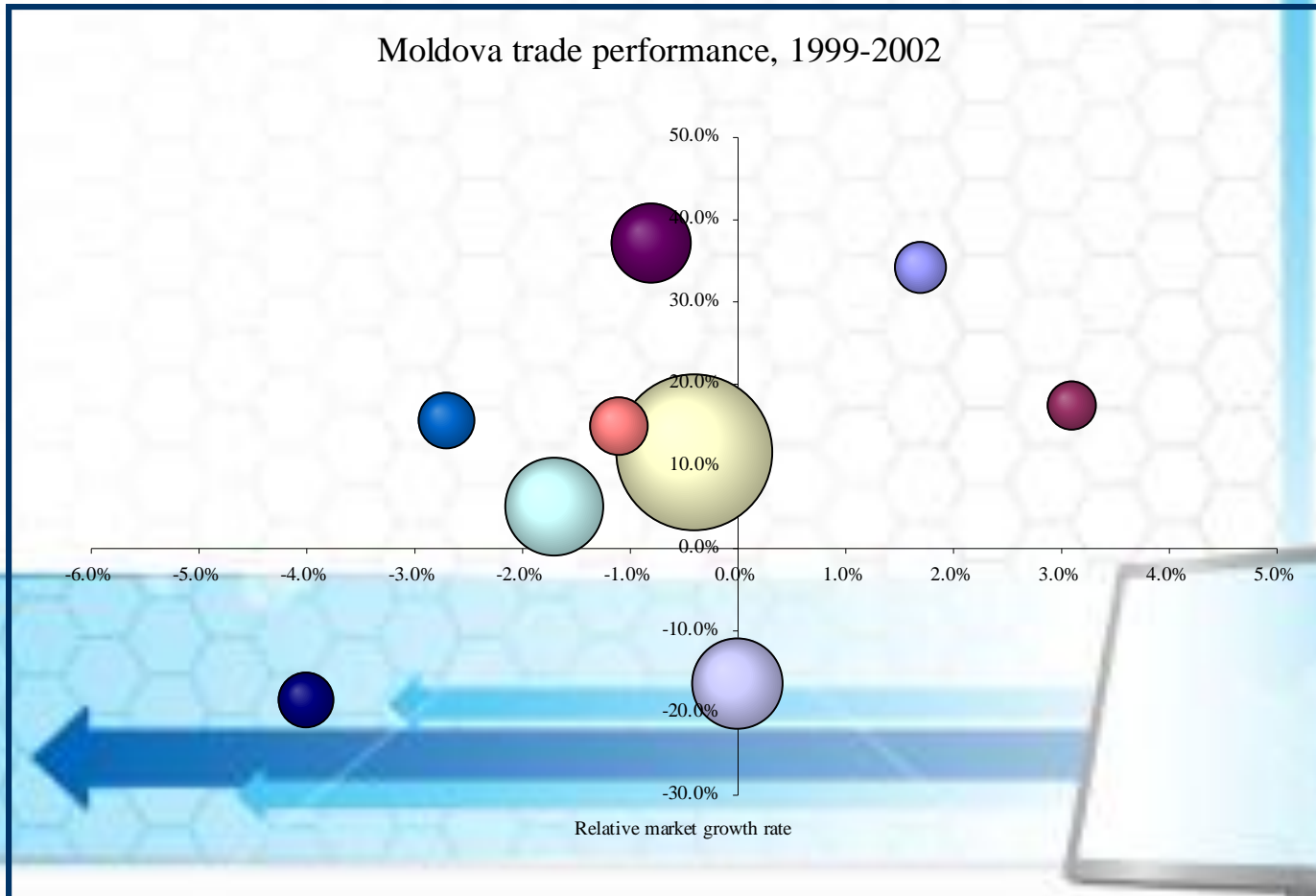
The Boston matrix



The TradeCAN/ITC matrix



Moldova's stars



ICT...

AN ADVENTURE...



USAID/Moldova SO Team

**Competitiveness Enhancement &
Enterprise Development
(CEED)**

CEED is one of several projects in USAID/Moldova's portfolio that supports economic growth in the country:

- Contract for **5 years** (2005-2010) with a **\$7.9 million** ceiling price
- **Competitiveness** project that works in three target industries: **ICT**, **apparel/textile**, and **wine**. Also a trade finance component.
- Implemented by **Chemonics International** in partnership with Crimson Capital Corporation and Dexis Consulting Group

PROJECT PURPOSE

- To enhance the competitiveness of private Moldovan enterprises (i.e. strengthen private sector competitiveness) from three industries: information and communications technology (ICT), apparel and textile, and wine;
- To develop and strengthen industry clusters; and
- To improve the business environment for these industries.

ICT is one of the most dynamic economic sectors in Moldova

- Between 2008 and 2009, Cisco Systems reports double and triple digit growth in Moldova's NetAcad program;
- ICT represents nearly 10 %of GDP (on par with agriculture production)
- about 40,000 people employed directly and indirectly in ICT, which makes ICT one of the major employers in Moldova
- ICT employs the young generation

However

- Exports – \$30mIn (Armenia - \$130mIn; Bulgaria - \$500mIn.)
- Cisco certified – only 300 persons (Romania, Bulgaria – much more)
- No dialogue between ICT private sector and GOM/Universities on Education

ICT *sector* & CEED

- Productivity - IT Mark and CMMI
- Quantity and quality of the IT workforce - Cisco Networking Academy & Microsoft IT Academy
- ICT Association of Moldova
- Market linkages & Business missions

Proactive Marketing Brings Exposure

Trade publications and shows move
Moldovan IT firms into the mainstream

“The trade show was a workable platform for sales and communication with the market. But this is no time to relax. We are moving forward into a true IT solutions vendor.”

*Valeri Anestiadi,
CEO of Dekart*



A representative of Dekart (right) demonstrates the company's Private Disk application to a buyer from Japan.

IT Firm Hits the Mark

USAID helps IT company receive new certification to increase exports and compete abroad



“The IT Mark program was just what we needed. I had no idea the staff would get so interested in and energized by the process, but they did. USAID’s support made a big difference.”

*Andrei Aidov,
QSystems Director*

ICT Firms Earn Policymakers' Respect

USAID supports formation of a new ICT association that is reaching out to Government policymakers

“Having become part of a likeminded group, we’ve learned to cooperate and consolidate our opinions in order to present a united front.”

Veaceslav Cunev, President, Moldovan Association of Private ICT Companies



The association board presents the members' vision and action plan for the ICT sector.

Hands-on IT Courses Close Skills Gap

Microsoft and Cisco IT courses are now offered at eleven Moldovan schools – six high schools, one college and four universities – thanks to USAID support.



“The ITE course, with its unique interactive style of teaching and learning, is so different from typical IT courses taught in high schools and colleges in Moldova. My students don’t hesitate a minute to stay after classes or come on weekends to attend the ITE course.” Valentina Spinu
ITE and CCNA instructor at the College of Finance and Banking

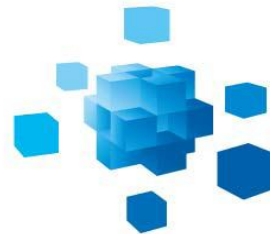


“I benefited from every second of my Cisco Networking course; it’s well-structured and interactive nature helped me discover a real fascination for IT.”

Tatiana Cotiga
IT Department Student,
ASEM

RCI interventions in Moldova

- IT Project Management Training
- ESI Bulgaria – IT Mark & CMMI
- Moldova ICT Summit 2010
- Moldova e-Gov Summit 2010



**Moldova
ICT Summit 2010**

Future RCI role

**Regional CEE ICT platform
to face Globalization
challenges**

Thank you!

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