

OPPORTUNITIES FOR ECONOMIC GROWTH OF THE REPUBLIC MOLDOVA IN THE CONTEXT OF INTERNATIONAL FINANCIAL MARKET VOLATILITY

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Abstract. *The economy of the Republic of Moldova faces significant challenges generated by a global context characterized by financial market volatility. The main drivers of this instability—including geopolitical and energy crises, post-pandemic effects, inflationary pressures, and trade imbalances—directly influence small and open economies such as that of the Republic of Moldova. The country, with its limited domestic market, dependence on energy imports, and the important role of remittances from the diaspora, remains vulnerable to external shocks. Nevertheless, this context generates not only risks, but also strategic opportunities for economic development and international integration.*

Despite these constraints, the Republic of Moldova has several opportunities to stimulate medium- and long-term economic growth. Key opportunities include economic diversification through the development of high value-added sectors, such as information technology, creative industries, organic agriculture, and renewable energy. The Association Agreement and the Deep and Comprehensive Free Trade Area with the European Union facilitate integration into international markets, while access to external financial resources—grants, concessional loans, and green bonds—can support investments in infrastructure, digitalization, and the energy transition. Strengthening human capital and modernizing institutions are also essential prerequisites for increasing economic resilience.

The general conclusion is that the Republic of Moldova can transform international volatility into a catalyst for development if it combines prudent macroeconomic policies with structural reforms oriented toward competitiveness and sustainability. European integration, economic diversification, and investment in human capital are the key elements for ensuring sustainable economic growth in the current global context.

Keywords: *financial market, economic growth, diversification, volatility, inflationary pressure.*

JEL Classification: *G10, G20, F36, F43, E44, O52*

INTRODUCTION

The Republic of Moldova is at a stage in which the vulnerabilities of a small, open economy dependent on external conditions intersect with significant opportunities generated by rapprochement with the European Union, the reconfiguration of regional value chains, and new global priorities concerning energy security, digitalization, and institutional resilience. Volatility in international financial markets can no longer be viewed merely as a conjunctural problem determined by stock-market cycles or changes in interest rates in advanced economies. It represents a permanent operating environment in which investment decisions, financing costs, trade flows, and currency stability change rapidly under the influence of geopolitical, energy, and inflationary shocks.

Within a short period, the Republic of Moldova has experienced the effects of the pandemic, the regional energy crisis, inflationary pressures, uncertainties caused by the war in Ukraine, and changes in global monetary policy. These shocks have affected external demand, import prices, budgetary costs, and investor confidence. At the same time, they have accelerated discussions on energy security, export diversification, strengthening the financial sector, and the need for a public administration capable of managing European and international resources.

The scientific problem addressed consists in identifying the conditions under which international volatility does not lead only to macroeconomic instability, but can also stimulate reforms, investments, and structural changes favorable to economic growth. For the Republic of Moldova, this issue is particularly relevant because the economy has a limited production base, a narrow domestic market, energy dependence, and a significant share of remittances in household income. However, its geographical position, trade regime with the European Union, agricultural potential, the development of the IT sector, and access to external financing provide the premises for a more resilient growth trajectory.

The purpose of the research is to analyze the economic growth opportunities of the Republic of Moldova in the context of international financial market volatility. To achieve this purpose, four objectives are pursued: the conceptual delimitation of financial volatility and its effects on small economies; the examination of the transmission channels of external shocks to the Moldovan economy; the identification of strategic development opportunities; and the formulation of economic policy directions oriented toward sustainable growth and macroeconomic resilience.

The research methodology is qualitative and empirical-descriptive in nature. It uses the analysis of specialized literature, the interpretation of institutional reports, the comparison of macroeconomic indicators, and the logical synthesis of risks and opportunities. The article's originality results from its integrated approach to volatility: risks are not treated separately from opportunities, but as starting points for structural transformations.

VOLATILITY OF INTERNATIONAL FINANCIAL MARKETS: CONCEPTUAL DELIMITATIONS

Volatility in international financial markets expresses rapid fluctuations in financial asset prices, exchange rates, interest rates, capital flows, and risk perception. In periods of stability, capital flows more easily toward emerging economies, investors accept moderate returns, and borrowing costs are relatively predictable. In periods of uncertainty, capital tends to move toward assets considered safe, while small economies face more expensive financing, currency depreciation, reduced foreign investment, and pressures on the balance of payments.

For small and open economies, volatility has greater intensity because domestic markets are limited and the capacity to absorb shocks is constrained. The Republic of Moldova cannot influence international interest rates, global energy prices, or the evolution of external demand. Instead, it can influence the way these shocks are absorbed domestically: through prudent fiscal policies, adequate foreign exchange reserves, banking stability, trade diversification, and the creation of a credible investment climate.

The specialized literature contains various opinions of established scholars that are relevant to the research topic. Hyman Minsky argued that financial systems tend to become fragile precisely after long periods of stability, because economic agents assume ever greater risks and financing moves away from real economic fundamentals (Minsky, 1986). Applied to the Republic of Moldova, this perspective suggests that apparent stability is not sufficient: supervision of lending, debt, and capital flows must prevent the accumulation of hidden vulnerabilities.

Guillermo Calvo explained the risk of a sudden halt in capital inflows to emerging economies, a phenomenon known in the economic literature as a "sudden stop" (Calvo, 1998). In Moldova's case, this approach is important because external financing, remittances, and support from international institutions play a major role in balancing the economy. Resilience, therefore, is not limited to accumulating reserves; it requires diversification of financing sources and directing them toward productive investments.

Maurice Obstfeld and Kenneth Rogoff demonstrated that open economies are constrained by the interdependence among the exchange rate, capital mobility, and monetary policy (Obstfeld and Rogoff, 1996). For the Republic of Moldova, this idea has direct applicability: price stability, exchange-rate flexibility, and the credibility of monetary policy must be coordinated so that external

shocks do not turn into persistent internal imbalances.

The synthesis of these opinions shows that financial volatility is not an isolated phenomenon, but a process that combines investor behavior, the structure of the economy, monetary policy, the degree of trade openness, and the quality of institutions. For the Republic of Moldova, the major implication is that protection against volatility cannot be achieved through a single measure, but through a set of policies: financial supervision, macroeconomic stability, institutional reforms, economic diversification, and productivity growth.

An essential aspect is the relationship between volatility and expectations. Investors react not only to current indicators, but also to perceptions regarding the direction of reforms, the quality of governance, and political risk. Thus, a vulnerable economy can attract capital even in a volatile context if it provides institutional predictability and access to extended markets. Conversely, an economy with apparently stable indicators may lose capital if institutions are weak or public policies are incoherent.

TRANSMISSION CHANNELS OF VOLATILITY TO THE ECONOMY OF THE REPUBLIC OF MOLDOVA

Before identifying the transmission channels, a brief introduction to the macroeconomic context in which the economy of the Republic of Moldova operates is necessary. External volatility is not transmitted into a neutral economic space, but into a structure characterized by energy dependence, a significant share of remittances, relatively concentrated exports, a narrow domestic market, and low productivity. For this reason, the same change in international interest rates, energy prices, or external demand can have stronger effects on Moldova than on larger and more diversified economies.

Recent empirical data confirm this sensitivity. The World Bank indicated that the economy of the Republic of Moldova grew by only 0.1% in 2024, while in the first half of 2025 economic activity remained practically stagnant: after a contraction of 1.2% in the first quarter, there was a recovery of 1.1% in the second quarter. The same source shows that merchandise exports decreased by 12%, and foreign trade made a significant negative contribution to growth in the first half of 2025 (World Bank, 2025).

Pressures on the current account were also significant. In the first half of 2025, the current account deficit deepened, reflecting the widening trade deficit, high energy imports, and modest export performance. This indicator is important because it shows that external resilience depends on the capacity to increase exports, attract productive investment, and reduce energy imports through efficiency and local production.

Inflation was a major channel for the transmission of external shocks. The National Bank of Moldova maintains an annual inflation target of 5%, with a possible deviation of ± 1.5 percentage points; however, in recent years, energy and food prices have generated considerable deviations from this range. In 2025, inflationary pressures remained above the target interval, which required a prudent monetary policy stance (NBM, 2025).

In this context, transmission channels must be analyzed not separately, but in their interdependence. Capital flows influence investment, investment influences imports of equipment, imports are reflected in the current account, and the exchange rate affects inflation and enterprise costs. Therefore, analysis of transmission channels makes it possible to understand how an external shock becomes a domestic problem, while also identifying the points at which public policies can intervene to transform risk into opportunity.

The investment channel

The first transmission channel is investment. During periods of international uncertainty, foreign investors become more cautious, and projects are postponed, resized, or redirected toward economies considered safer. For the Republic of Moldova, where domestic capital accumulation is limited, a reduction in foreign direct investment can slow infrastructure modernization, industrial-sector development, and technology transfer.

Empirical data suggest that investment cannot be treated as a stable and automatic source of growth. The World Bank noted that the economic recovery in 2025 was supported more by domestic demand than by exports, while investment remains dependent on the institutional climate and the availability of external financing (World Bank, 2025). At the same time, the European Commission noted that progress in alignment with the EU acquis and in implementing reforms can increase the attractiveness of the Republic of Moldova for European capital (European Commission, 2025).

The interpretation of these data shows that investment volatility is simultaneously a risk and an opportunity. The risk lies in the postponement of projects and the reduction of foreign capital; the opportunity lies in nearshoring, as European companies seek geographically closer locations with competitive costs and access to preferential trade regimes. To capitalize on this opportunity, Moldova must provide infrastructure, legal stability, investor protection, and rapid administrative procedures.

The financing cost channel

The second channel is the cost of financing. Rising interest rates on international markets are reflected in higher costs for public and private borrowing. For the state, this may mean higher debt-service expenditures and a reduced fiscal space for investment. For enterprises, more expensive financing limits the expansion of production capacities, technological modernization, and access to working capital.

Data from the International Monetary Fund indicate moderate growth of the economy of the Republic of Moldova, estimated at 2.7% in 2025 and 2.3% in 2026, but also the existence of structural constraints related to weak exports, the current account deficit, and low competitiveness (IMF, 2026). At the same time, the National Bank of Moldova reported that the banking sector remained solid in the first half of 2025, with positive profitability and a manageable level of non-performing loans, providing a basis for financing the real economy (NBM, 2025b).

Empirically, this channel shows a double dependence: on the one hand, Moldova needs financing for infrastructure, energy, and digitalization; on the other hand, expensive financing can limit precisely these investments. Therefore, grants, concessional loans, and European funds must be treated as instruments for reducing the cost of capital. Their economic effect, however, depends on project selection and on the capacity of institutions to transform financing into productive assets.

The exchange rate and export competitiveness channel

The third channel is the exchange rate, closely linked to export competitiveness. Currency fluctuations affect import prices, exporters' revenues, and the purchasing power of the population. Currency depreciation may temporarily support exports, but it can make imports of energy, equipment, and raw materials more expensive. Currency appreciation may reduce imported inflation, but it can affect the competitiveness of some local producers.

Data from the National Bureau of Statistics confirm the pressure on foreign trade. In January-August 2025, merchandise exports amounted to USD 2.28 billion, 2.5% less than in the same period of the previous year, while imports reached USD 6.91 billion, 18.3% more. The resulting trade deficit highlighted the fact that domestic demand and imports are advancing faster than the economy's capacity to export competitive products (NBS, 2025).

These data indicate that the central problem is not only the level of the exchange rate, but also the structure of exports. For Moldova, competitiveness cannot be built on repeated currency adjustments, but on added value, quality, European certification, logistics, and niche products. Thus, the exchange-rate channel becomes an argument for export diversification and for moving from raw products to processed products, digital services, and integrated industrial solutions.

THE ENERGY CHANNEL

The fourth channel is energy. Volatility in energy prices and supply risks have direct effects on production costs, inflation, the public budget, and enterprise competitiveness. Dependence on energy imports has been one of the most important vulnerabilities of the Republic of Moldova, and recent crises have shown that energy security is not merely a sectoral issue, but a condition of macroeconomic stability.

Recent European data and documents confirm the empirical dimension of this channel. In 2025, the European Commission and the Republic of Moldova agreed on a two-year strategy for energy independence and resilience, with substantial European financial support to reduce supply insecurity and integrate Moldova into the European Union energy market. The European Commission also indicated the need to reform the electricity market, invest in balancing capacities, and expand renewable sources (European Commission, 2025).

The analysis shows that energy is the channel through which external volatility turns most rapidly into inflation and social costs. However, the same vulnerability creates one of the clearest growth opportunities: investment in solar energy, wind energy, biomass, energy efficiency, storage, and interconnections. In the medium term, reducing energy imports can improve the trade balance, stabilize prices, and create related local industries.

The remittances channel

The fifth channel is remittances. Remittances represent an important source for domestic consumption, the stability of household incomes, and the financing of some family investments. However, they depend on the economic situation in migrants' host countries, wage levels, external inflation, and conditions on European labor markets.

From an empirical perspective, the importance of remittances remains considerable, even though their share has declined compared with the 2000s. World Bank data show that personal remittances received by the Republic of Moldova represented approximately 10.5% of GDP in 2024. Recent economic programs also indicate that in January-June 2025, inflows of personal remittances decreased compared with the same period of the previous year, confirming the sensitivity of this flow to external conditions (World Bank Data, 2025; Ministry of Finance, 2026).

This evolution indicates that remittances cannot be considered a substitute for productive investments. In the long term, the opportunity lies in directing part of these resources toward entrepreneurship, education, energy-efficient housing, and local businesses. The relationship with the diaspora must be transformed from a consumption flow into an economic partnership based on co-financing, guarantees, mentoring, and access to markets.

The confidence and expectations channel

The sixth channel is confidence. In small economies, the decisions of consumers, banks, investors, and exporters are strongly influenced by perceptions of stability. If institutions communicate effectively and maintain predictable policies, external shocks can be absorbed with smaller losses. If policies are contradictory, external volatility quickly turns into internal volatility through declining investment, increased precautionary saving, and reduced consumption.

An indirect empirical indicator of confidence is the stability of the banking sector. The NBM reported a solid situation in the banking sector for the first half of 2025, and maintaining an adequate level of capitalization and liquidity is essential for the orderly transmission of monetary policy and for financing the real economy (NBM, 2025). In addition, the process of accession to the European Union and the reform agenda can reduce perceptions of country risk if accompanied by concrete institutional results.

Consequently, confidence is the channel that can amplify or diminish the effects of all other channels. The same increase in energy prices or the same currency depreciation produces different effects in an economy where the population and investors trust institutions than in an economy where public policies are perceived as unpredictable. For Moldova, institutional credibility becomes an economic resource in itself.

The analysis of transmission channels shows that volatility in international financial markets affects the Republic of Moldova through interdependent mechanisms. Investment, the cost of financing, the exchange rate, energy, remittances, and confidence are not separate phenomena, but parts of the same macroeconomic circuit. An energy shock can fuel inflation, deteriorate the current account, reduce firm competitiveness, and diminish consumer confidence. Similarly, a rise in financing costs can reduce investment, while reduced investment affects the economy's ability to export and generate fiscal revenues.

The vulnerability of the Republic of Moldova stems not only from exposure to external shocks, but also from the internal structure of the economy: low productivity, dependence on energy imports, insufficiently diversified exports, and limited administrative capacity. However, this vulnerability also indicates the most important directions for intervention. Public policies must aim to reduce external dependencies through local energy, value-added exports, productive investment, human capital, and credible institutions. Thus, the conclusion following the analysis of the channels is that economic resilience is not obtained by isolation from international markets, but by intelligent integration and the strengthening of internal mechanisms for shock absorption.

STRATEGIC OPPORTUNITIES FOR ECONOMIC GROWTH IN THE REPUBLIC OF MOLDOVA

Before analyzing strategic opportunities, it must be emphasized that they do not arise outside risks, but precisely from the need to respond to them. Recent crises have shown the limits of the growth model based on consumption, remittances, and low-productivity sectors. At the same time, they have highlighted areas where investment can generate multiplier effects: energy, digitalization, infrastructure, agro-industry, education, and closer integration with the European market. Opportunities must be interpreted as directions of structural transformation, not as automatic advantages. For the Republic of Moldova, these opportunities are the following:

1. European integration. The Association Agreement and the Deep and Comprehensive Free Trade Area have created an important basis for bringing the Republic of Moldova closer to the European market. The European Commission's 2025 report shows that the Republic of Moldova made progress in several areas of alignment with the EU *acquis*, including digitalization, energy, financial services, and economic management, but emphasizes the need to continue institutional reforms (European Commission, 2025). European integration must be viewed as an economic mechanism of institutional discipline, not only as a political objective.

2. Economic diversification. The Republic of Moldova cannot reduce external vulnerability if it remains dependent on a limited number of low value-added products. Diversification must target sectors such as information technology, creative industries, business services, organic agriculture, advanced food processing, renewable energy, and logistics. These sectors can generate better-paid jobs and reduce dependence on fluctuations in raw material prices.

3. The IT sector and digitalization. Moldova has demonstrated capacity for developing digital services, and the IT park model has contributed to formalizing activities and attracting specialists. The European Commission mentions progress in implementing the Digital Transformation Strategy 2023-2030 and in aligning with European requirements concerning electronic identification, cybersecurity, and digital services (European Commission, 2025). In a volatile financial environment, digital services have the advantage of accessing external markets without massive investment in physical infrastructure.

4. Modern agriculture and food processing. Agriculture remains an important sector, but it is vulnerable to climate, international prices, and low productivity. Data on the decline in exports in the first part of 2025 show that the sector needs efficient irrigation, modern technologies, certification, and value-added processing. A growth strategy must go beyond the export of raw products and favor processed products, organic agriculture, traceability, and the integration of producers into European value chains.

5. The energy transition. Volatility in energy prices has shown that energy security is a condition for macroeconomic stability. Moldova can transform energy dependence into an impulse for investment in solar energy, wind energy, biomass, energy efficiency, and interconnections. Investments in this field reduce exposure to imports, create demand for engineering services, and can attract green financing.

6. Mobilizing human capital and the diaspora. Emigration has reduced the domestic labor supply, but the diaspora also represents an economic, managerial, and investment resource. Public policies must encourage the temporary or permanent return of specialists, diaspora investment in local

businesses, knowledge transfer, and the connection of Moldovan firms to external markets. Human capital is the central condition for moving from consumption-based growth to productivity-based growth.

7. Using external financing for productive investments. Grants, concessional loans, European funds, climate instruments, and green bonds can support infrastructure, energy, digitalization, and competitiveness projects. However, the effect of these resources depends on project quality and administrative capacity. External financing becomes a real opportunity only if it is directed toward productive assets, not toward repeatedly covering current imbalances.

Risk and Opportunity Matrix: Interpretation and Implications

To assess the applicability of the strategic opportunities identified, it is necessary to systematize the relationship between external risks and possible directions for economic development. The risk and opportunity matrix highlights how each vulnerability generated by volatility in international financial markets can be transformed into a concrete direction of economic policy. The use of this matrix is necessary because it provides a synthetic image of the interdependence between the transmission channels of shocks, associated risks, and the measures through which the Republic of Moldova can strengthen macroeconomic resilience. Thus, the matrix is not only a descriptive instrument, but also an analytical one, useful for substantiating decisions oriented toward sustainable growth, competitiveness, and European integration.

The risk and opportunity matrix does not aim to mechanically separate risks from solutions, but to show that each vulnerability channel can be transformed into a direction of development if public policies are coherent. For example, rising energy prices are an immediate risk for inflation and enterprise costs, but can also become an argument for investment in energy efficiency and renewable sources. In the same logic, the higher cost of external financing compels the state to select projects more rigorously and to prioritize investments with high economic impact.

The matrix below synthesizes the main channels through which international financial volatility influences the economy of the Republic of Moldova, the associated risks, and the opportunities for economic policy. It is constructed on the basis of the analysis of recent institutional documents and the interpretation of empirical data on economic growth, foreign trade, inflation, the banking sector, remittances, and European integration.

Table 1. Matrix of Risks and Strategic Opportunities for Economic Growth in the Republic of Moldova

<i>Volatility channel</i>	<i>Main risk</i>	<i>Strategic opportunity</i>	<i>Economic policy direction</i>
Investment flows	Postponement of projects, reduction of foreign capital, and slowing of technology transfer	Nearshoring, European investment, and development of local industry	Investor protection, infrastructure, industrial zones, and reduction of bureaucracy
Cost of financing	Higher interest rates, pressure on debt, and limitation of private investment	Grants, concessional loans, and green financing	Prudent debt management and prioritization of projects with economic impact
Exchange rate and exports	More expensive imports, trade deficit, and uncertainty for exporters	Increasing competitiveness through value-added products	Monetary stability, certification, logistics, and export promotion

Energy	Imported inflation, high production costs, and budgetary pressures	Renewable energy, energy efficiency, and interconnections	Investment in local capacities, storage, and transparent support schemes
Remittances	Dependence on external economic cycles and excessive orientation toward consumption	Diaspora investment, entrepreneurship, and transfer of skills	Co-financing instruments, financial education, and diaspora programs
Confidence	Decline in investment, precautionary saving, and reduced consumption	Institutional credibility and reduction of the risk premium	Public communication, reforms, governance, and fiscal predictability

Source: prepared by the author based on World Bank (2025), IMF (2026), NBM (2025), NBS (2025), World Bank Data (2025), and European Commission (2025).

The discussion of the matrix allows three findings to be drawn:

External risks are interconnected: an energy shock can amplify inflation, deteriorate the current account, and reduce firm competitiveness.

Real opportunities arise only when there is administrative capacity for implementation. Access to external financing does not guarantee growth if projects are poorly selected or if investments are blocked by administrative procedures.

Economic policies must be oriented toward productivity, not merely toward compensating for the effects of crises.

From an economic policy perspective, the matrix shows that the Republic of Moldova needs to move from reaction to anticipation. Instead of the state intervening only after shocks appear, a system is needed for monitoring external risks, preparing alternative scenarios, and directing resources toward areas that reduce vulnerability. Such an approach is compatible with the European integration process, because strengthening economic governance and administrative capacity are essential requirements for approaching European Union standards.

Economic policies for capitalizing on opportunities

Capitalizing on the identified opportunities requires a coherent set of macroeconomic and structural policies, namely:

1. Maintaining macroeconomic stability. Without controlled inflation, sustainable public debt, and a stable banking sector, investment opportunities quickly turn into risks. Monetary policy must remain oriented toward price stability, while also being attentive to effects on lending to the real economy. Fiscal policy must combine budgetary discipline with public investment in infrastructure, education, and energy.

2. Strengthening institutions. In a volatile international environment, investors seek not only low costs, but also clear rules, a functional justice system, efficient administration, and predictability. Reforms concerning governance, public procurement, anti-corruption, and the digitalization of administrative services have a direct economic impact because they reduce transaction costs and increase confidence. For Moldova, institutional quality is a form of potential competitive advantage.

3. Developing infrastructure. Road, rail, energy, and digital connectivity determine the economy's capacity to integrate into international markets. Weak infrastructure reduces productivity and discourages investment. External funds available in the context of European integration must be directed toward projects with multiplier effects: energy interconnections, logistics corridors, export infrastructure, industrial parks, and digital networks.

4. Supporting small and medium-sized enterprises. SMEs form the basis of the economy, but they are vulnerable to financing costs, changes in demand, and certification requirements. Public policies must provide credit guarantee instruments, export consulting, digitalization, standardization, and innovation support. Support should not replace competition, but should reduce barriers that prevent viable firms from expanding.

5. Developing the domestic financial market. An economy that depends excessively on external financing is more exposed to global volatility. The development of local financial instruments, the bond market, investment funds, insurance, and savings products can mobilize domestic capital. At the same time, prudent regulation must prevent the accumulation of systemic risks.

6. Increasing the efficiency of the use of external funds. European and international resources must be correlated with a clear list of priority projects, impact indicators, realistic deadlines, and institutional responsibilities. In the absence of such discipline, external financing may cover temporary imbalances, but it will not produce the structural transformation necessary for sustainable growth.

The analysis highlights that the Republic of Moldova cannot eliminate external volatility, but it can change the way it is transmitted into the economy. The difference between vulnerability and opportunity is determined by adaptive capacity. A rigid economy dependent on imports and low value-added products will experience volatility as a succession of crises. A flexible, diversified economy connected to credible institutions can transform the same volatility into a source of reforms and repositioning.

CONCLUSIONS

Volatility in international financial markets represents a complex challenge for the Republic of Moldova, but not an exclusively negative one. It affects the economy through investment, financing costs, the exchange rate, energy prices, foreign trade, remittances, and the confidence of economic agents. As a small and open economy, Moldova remains exposed to external shocks that it cannot control. However, it can control the quality of domestic policies, the pace of reforms, and the way available resources are used.

The main conclusion of the research is that opportunities for economic growth emerge precisely in the areas where vulnerabilities have become evident. Energy dependence creates the need for a transition toward renewable sources. The small domestic market imposes an orientation toward exports and European integration. High emigration makes it necessary to capitalize on the diaspora and invest in human capital. Low productivity calls for digitalization, innovation, and enterprise modernization.

European integration constitutes the most important strategic framework for the economic transformation of the Republic of Moldova. It offers access to markets, financing, standards, and institutional predictability. However, European integration becomes an engine of growth only if accompanied by internal reforms, strengthening of public administration, and the ability of firms to compete. In the absence of these conditions, external advantages may remain only partially capitalized upon.

Economic diversification is the fundamental condition for reducing vulnerability to international volatility. The Republic of Moldova must move from growth based predominantly on consumption, remittances, and low-productivity sectors toward growth based on investment, exports, innovation, and human capital. High-potential sectors include IT, organic agriculture and food processing, renewable energy, business services, creative industries, and logistics.

In practical terms, the following are recommended: strengthening the macroeconomic risk management framework; directing external funds toward productive investment; accelerating the energy transition; increasing the added value of exports; developing digital and professional skills; and transforming the relationship with the diaspora from a source of remittances into a partnership for investment, entrepreneurship, and knowledge transfer.

Public policies must combine macroeconomic prudence with structural ambition. Price stability, fiscal discipline, and a solid financial sector are necessary but insufficient conditions. They must be complemented by investment in infrastructure, education, digitalization, energy efficiency, and governance. In this way, the Republic of Moldova can transform international volatility from a risk factor into a catalyst for sustainable development.

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