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# MOLDOVAN ECONOMIC TRENDS

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**MET TEAM:**

**Alexandru Stratan** (coordinator)

**Alina Ianioglo** (Main political, economic and social events from the Republic of Moldova)

**Alexandru Ceban, Zaharia Olarescu** (Chapter 1. Production)

**Olga Timofei** (Chapter II. Prices, exchange rates and monetary policy)

**Victoria Cociug** (Chapter III. Finances)

**Tatiana Iatisin** (Chapter IV. External sector)

**Alexandra Novac** (Chapter V. Business environment)

**Tatiana Colesnicova** (Chapter VI. Social sector)

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*For additional information please contact us:*

**National Institute for Economic Research**

45 Ion Creanga street, Chisinau, RM, 2064

Tel: (+ 373 22) 50-11-00, Fax: (+ 373 22) 74-37-94

e-mail: [info@ince.md](mailto:info@ince.md), web site: [www.ince.md](http://www.ince.md)

**CONTENTS**

<b>Main political, economic and social events from the Republic of Moldova .....</b>	<b>10</b>
<b>Edition summary .....</b>	<b>13</b>
<b>Chapter I. PRODUCTION .....</b>	<b>19</b>
<b>Chapter II. PRICES, EXCHANGE RATES AND MONETARY POLICY .....</b>	<b>25</b>
<b>Chapter III. FINANCES .....</b>	<b>33</b>
<b>Chapter IV. EXTERNAL SECTOR .....</b>	<b>45</b>
<b>Chapter V. BUSINESS ENVIRONMENT .....</b>	<b>52</b>
<b>Chapter VI. SOCIAL SECTOR .....</b>	<b>55</b>
<b>STATISTICAL ANNEXES .....</b>	<b>64</b>

## GENERAL DATA

<b>Official name</b>	<b>REPUBLIC OF MOLDOVA</b>
<b>Capital</b>	<b>Chisinau</b>
<b>President</b>	<b>Igor Dodon</b>
<b>President of the Parliament</b>	<b>Andrian Candu</b>
<b>Prime Minister</b>	<b>Pavel Filip</b>
<b>Parliament of the Republic of Moldova</b>	<b>101 deputies: Democratic Party of the Republic of Moldova – 42, Socialist Party of the Republic of Moldova – 24, Liberal Party – 9, European People’s Parliamentary Group – 9, Communist Party of the Republic of Moldova – 6, Liberal Democratic Party of Moldova – 5, Unaffiliated deputies – 6.</b>
<b>Independence was obtained on</b>	<b>August 27, 1991</b>
<b>Area</b>	<b>33,8 thousand km<sup>2</sup></b>
<b>Administrative units</b>	<b>32 districts, 5 municipalities (Chisinau, Balti, Bender, Comrat, Tiraspol), ATU Gagauzia, Administrative-Territorial Units from the left of the Dniester</b>
<b>Resident Population</b>	<b>3547,5 thousand inhabitants (beginning of 2018)</b>
<b>Main religions</b>	<b>Orthodox (93,34%), Protestant (1,98%), Old-Rite Christians (0,15%), Catholic (0,14%), etc.</b>
<b>National currency</b>	<b>Moldovan leu</b>  <b>(average exchange rate, quarter I, 2018 – 1 USD = 16,7 MDL, 1 EUR = 20,6 MDL)</b>

## ABBREVIATIONS

CEFTA	- Central European Free Trade Agreement
RCA	- Revealed Comparative Advantage
GATS	- General Agreement on Trade in Services
HACCP	- Hazard Analysis and Critical Control Points
IDA	- International Development Association
DCFTA	- Deep and Comprehensive Free Trade Agreement
ATP	- Autonomous Trade Preferences
PCA	- Partnership and Cooperation Agreement
EBRD	- European Bank for Reconstruction and Development
ILO	- International Labour Office
BMA	- Bureau for Migration and Asylum
NBM	- National Bank of Moldova
NPB	- National Public Budget
NBS	- National Bureau of Statistics
GAP	- Good Agricultural Practice
TBT	- Technical Barriers to Trade
NBC	- National Bank Certificates
EC	- European Commission
FCPA	- Final Consumption of Public Administration
FCH	- Final Consumption of Households
NCFM	- National Commission of Financial Market
TRC	- Total Regulatory Capital
EPC	- Effective Protection Coefficient
SITC	- Standard International Trade Classification
CIS	- Commonwealth of Independent States
TRQ	- Tarrif Rate Quota
IPR	- Intellectual Proprety Rights
SDR	- Special Drawing Rights
AVE	- Ad-Valorem Equivalent
IMF	- International Monetary Fund
NIER	- National Institute for Economic Research
HHI	- Herfendahl-Hirschman Index

SMEs	- Small and Medium Enterprises
CPI	- Consumer Price Index
PPI	- Production Price Index
IIPP	- Index of Industrial Products Prices
FDI	- Foreign Direct Investment
IPV	- Index of Physical Volume
UVI	- Unit Value Index
MAFI	- Ministry of Agriculture and Food Industry
MAIB	- Moldova Agroindbank
MDL	- Moldovan Leu
MF	- Ministry of Finance
SPM	- Sanitary and Phytosanitary Measures
MFN	- Most Favoured Nation
NEER	- Nominal Effective Exchange Rate
NPC	- Nominal Protection Coefficient
OBSEC	- Organization of the Black Sea Economic Cooperation
ODSMEs	- Organization for Development of Small and Medium Enterprises
IOM	- International Organization for Migration
WTO	- World Trade Organization
UN	- United Nations
GDP	- Gross Domestic Product
CR	- Concentration Ratio
REER	- Real Effective Exchange Rate
GSP	- Generalised System of Preferences
MET	- Moldovan Economic Trends
TN	- Transnistria
VAT	- Value Added Tax
EU	- European Union
USD	- US Dollar
ATU	- Autonomous Territorial Unit
GVA	- Gross Value Added
SS	- State Securities

## TABLES

Table 2.2.1. NBM activity on interbank foreign exchange market during January 2017 – April 2018 .....	30
Table 4.1. Dynamics of main aggregates of the balance of payments, quarter I, 2016-2018, mln. USD (preliminary data).....	45
Table 4.2. Weight of main partners of Transnistrian region in commodity trade, in Q I 2017-2018, %.....	51
Table 5.1. Dynamics of „Doing Business” indicators for the Republic of Moldova.....	52
Table 5.2. Moldova’s position in index of economic freedom ranking .....	54
Table 5.3. Data on net profit (loss) of organizations from the left of the Dniester River by types of activity, 2017.....	54
Table 6.1. Subsistence minimum on average per capita in the region from the left bank of the Dniester River in January-March 2018, rubles per month .....	63

## FIGURES

Figure 1.1. GDP dynamics during Q1:2008 – Q1: 2018 (%) .....	19
Figure 1.2. Contribution of resource components to GDP formation in Q I 2018 and to its increase compared to Q I 2017,%.....	20
Figure 1.3. Contribution of components of uses to GDP formation in Q1: 2018 and to its increase compared to Q1: 2017, %.....	20
Figure 1.4. Dynamics of agricultural production in Q1:2008 – Q1:2018.....	21
Figure 1.5. Indexes of industrial production compared to Q1:2010 – Q1:2018 (%).....	22
Figure 1.6. Monthly indexes of industrial production in January 2017 – March 2018 compared to 2010, (%).....	22
Figure 2.1.1. Annual growth rate of CPI and its components, %.....	25
Figure 2.1.2. Annual growth rate of CPI and core inflation, %.....	26
Figure 2.1.3. Annual growth rate of industrial production prices and its components, %.....	27
Figure 2.1.4. Development of average monthly nominal exchange rate of MDL in relation to USD and EURO.....	28
Figure 2.1.5. Annual growth rate of CPI in region from the left side of the Dniester River, %.....	28
Figure 2.2.1. Development of interest rates on monetary policy instruments of the National Bank of Moldova .....	29
Figure 2.2.2. Structure of money supply M3.....	31
Figure 3.1.1. Structure of revenues in NPB in quarter I, 2018, mln. MDL.....	33
Figure 3.1.2. Structure of revenues by source in NPB in quarter I, 2017-2018, mln.MDL.....	34
Figure 3.1.3. Structure of expenditures in NPB in quarter I, 2018,%.....	35
Figure 3.1.4. NPB deficit, mln. MDL.....	35
Figure 3.1.5. Structure of public sector debt during 2017-2018.....	36
Figure 3.1.6. Relation of debt types against GDP.....	36
Figure 3.2.1. Development of quality of bank assets.....	38
Figure 3.2.2. Development of quality of bank capital .....	39
Figure 3.2.3. Level of liquidity in the banking sector on March 31, 2018.....	39
Figure 3.2.4. Loans dynamics by currency and debt category.....	40
Figure 3.2.5. Dynamics of non-performing loans in banking sector .....	41
Figure 3.2.6. Development of net banking margin, average interest rates on new deposits and loans in MDL, %.....	42
Figure 3.2.7. Development of deposits attracted by banks in quarter I, 2018, mln. MDL.....	42
Figure 3.2.8. Development of banking return and profitability in 2017-2018.....	43

Figure 4.1. Direct investment, liabilities, equity capital accumulated on March 31, 2018, by economic activities, %.....	46
Figure 4.2. Quarterly dynamics of remittances from abroad made in favour of individuals in 2011-2018, mln. USD.....	47
Figure 4.3. Dynamics of quarterly remittances from CIS and EU in favour of individuals during 2015 – 2018, %.....	47
Figure 4.4. Trends of external trade in goods in quarter I, 2000-2018, mln. USD.....	48
Figure 4.5. Trends in export of goods by groups of countries in Q I, 2000-2018, %.....	49
Figure 4.6. Trends in import of goods by countries in Q I, 2000-2018, %.....	50
Figure 4.7. Dynamics of of external trade in Transnistrian region during Q I, 2017-T. I 2018, mln. US dollars.....	51
Figure 6.1. Natural movement of population in Q I, 2010-2018.....	55
Figure 6.2. Dynamics in the number of employed, unemployed population and employment and unemployment rates of population aged 15 and over in Q I, 2012-2018.....	56
Figure 6.3. Dynamics of several types of economically inactive population during Q I 2017 – Q I 2018, thousands persons.....	57
Figure 6.4. Dynamics of nominal salary in public and real sectors during Q I 2017– Q I 2018, MDL.....	58
Figure 6.5. Dynamics of household disposable revenues, nominal value and growth rates by quarters, Q I 2015 – Q I 2018.....	59
Figure 6.6. Dynamics of consumer expenditures, nominal value and growth rates by quarters, Q I 2015 – Q I 2018.....	60

## BOXES

Box 3.2.1. Moldovan banks ranking .....	44
Box 6.1. Guaranteed minimum monthly income .....	59
Box 6.2. Pension valorization .....	61

## MAIN POLITICAL, ECONOMIC AND SOCIAL EVENTS FROM THE REPUBLIC OF MOLDOVA

*The beginning of 2018 was marked by several important events of political, economic and social nature.*

### January 11

The Government has approved the draft law on ratification of Financing Agreement between the Republic of Moldova and International Development Association and Loan Agreement with the International Bank for Reconstruction and Development. The document provides for the grant of 22,43 mln. USD to Moldova by the institutions of the World Bank for the project „Modernization of Government Services”: 15 mln. USD will be granted by the International Development Association and 5 mln. USD by the International Bank for Reconstruction and Development. Another 2,43 mln. USD will be provided for the activities of the project. The implementation of the project will contribute to the exclusion of public services which are behind the times and pooling of more services to improve their quality. At the same time, the access to the public services will be facilitated at local level through digital channels. The deadline for the implementation of the project is June 3, 2023 through the Center for Electronic Governance.

### January 24

The Government has approved the Program for Development of Public Internal Financial Control for 2018-2020 and the Action Plan for its implementation in order to strengthen the management of public finances based on the principles of a good governance. The concept of Public Internal Financial Control provides for the increase of managerial responsibility and focuses on three pillars: financial management and control, internal audit, central harmonization unit. By implementing this program, it is aimed to streamline the public administration, to reduce bureaucracy, to minimize corruption risks, to provide quality services for citizens and business environment. The implementation of this Program will be supported by a Twinning project funded by the European Union and Ministry of Finance of the Netherlands.

### January 30

The Executive Board of the National Bank of Moldova has adopted the maintenance of the base rate applied on the main short-term monetary policy operations at the actual level of 6,5% annually. The interest rates on overnight loans are maintained at the actual level of 9,5% annually and on overnight deposits at the current level of 3,5% annually. At the same time, it was decided to maintain the required reserves ratio from means attracted in Moldovan lei and non-convertible currency at the actual level of 40,0% of the computation base and required reserves ratio from means attracted in freely convertible currency at the actual level of 14,0% of the computation base.

### January 30

The Republic of Moldova and the United Arab Emirates have signed two agreements in order to strengthen the bilateral relations: the Agreement between the Government of the Republic of Moldova and the Government of the United Arab Emirates on economic and technical cooperation to stimulate the economic collaboration and establish new directions of partnership; as well as the Memorandum of Understanding on bilateral political consultations between the Ministries of Foreign Affairs of the two countries in order to strengthen the

partnership relations in areas of mutual interest and establish an inter-institutional cooperation mechanism. Currently, four bilateral treaties in air, economic, investment and diplomatic fields have been signed between the Government of the Republic of Moldova and the Government of the United Arab Emirates.

### January 31

The Government has approved the Program promoting the „Green” Economy in the Republic of Moldova for 2018-2020 and the Action Plan for its implementation. The Program aims to promote the implementation of „green” economy principles in the country in key with the economic development and social welfare by reducing the environmental risks. In particular, it aims to increase the energy efficiency of the country and share of renewable energy, to integrate the development activities of green economy for small and medium enterprises, to rise the area of organic agricultural land, to promote the green cities principles etc. The cost of implementing the Program is about 122,5 mln. MDL, being covered from the government budget and through other financial mechanisms.

### February 20

Moldova Investment and Export Promotion Organization (MIEPO) won a project funded by the Black Sea Basin Programme 2014-2020 worthing about 600 000 Euro, for two years. MIEPO holds 419,3 thousand EUR of the total budget. The goal of the project is to increase the cooperation and trade in the Black Sea Basin region by creating a network of relevant actors – WINET, supported by an electronic platform for training, promotion, cooperation, trade and increasing the skills of wine professionals and their cooperation with the governmental and academic environment. 100 enterprises will be provided with wine promotion activities. Also, two information platforms will be created to support transnational cooperation.

### February 22

The Cabinet of Ministers has approved the creation of the National Agency for Research and Development, which will implement the state policies in the research, innovation and development sectors and will be subordinated to the Government. The Agency will manage funds for carrying out projects on this dimension and will be in charge to assess proposals of projects put up by researchers. The Agency will be created through the merger of the public institution, „Agency for Research and Development”, Agency for Innovation and Technological Transfer and the Centre for International Projects subordinated to the Academy of Science of Moldova.

### February 22

The Government has approved the Implementing Regulations of the „First Home” State Program, establishing the eligibility criteria for beneficiaries, the dwellings which can be purchased and commercial banks involved in the program. At the same time, the procedure for granting mortgage loans through the program and the way of granting and executing the state guarantees are explained in detail. The program was designed to help young people to acquire their first housing on more favorable lending terms, with the state guaranteeing 50% of the credit balance. For 2018, a guarantee fund worth 50 million lei is provided in the government budget. The implementation of the program will be carried out through the Organization for Small and Medium Enterprises.

### February 28

The National Bank of Moldova put into circulation a new series of metal coins: with a face value of 1,2,5 and 10 lei. These will be circulating in parallel with the existing banknotes of the same face value. The putting into circulation of new metal coins will optimize cash currency in the

Republic of Moldova pursuant to the best international practices in the currency circulation field, according to the NBM. At an equal price per unit, the coins have a lifetime of 10 times longer than the low-value banknotes. The new coins are environment-friendly and may be recycled.

### **March 1**

The Executive Board of the National Bank of Moldova has adopted the maintenance of the base rate applied on the main short-term monetary policy operations at the actual level of 6,5% annually. The interest rates on overnight loans are maintained at the actual level of 9,5% annually and on overnight deposits at the current level of 3,5% annually. At the same time, it was decided to maintain the required reserves ratio from means attracted in Moldovan lei and non-convertible currency at the actual level of 40,0% of the computation base and required reserves ratio from means attracted in freely convertible currency at the actual level of 14,0% of the computation base.

### **March 1**

The Parliament has ratified the Convention between the Government of the Republic of Moldova and the Government of Georgia to avoid the double taxation and prevention of fiscal evasion with respect to taxes on income and additional Protocol drawn up at Tbilisi on November 29, 2017. The document provides for the intensification of the economic cooperation between the two countries and brings under regulation the way of exchange of information between parties in order to avoid the double taxation and prevention of fiscal evasion. Nowadays, the Republic of Moldova has 48 operational Conventions/Agreements for the avoidance of double taxation.

### **March 21**

The Government will allocate over 57 mln. MDL for the renewal of six primary, middle and high school institutions subordinated to the local public authorities. The financial means will be granted within „Education Reform in Moldova” project, supported by the World Bank.

### **March 23**

The Parliament has approved the Strategy for Civil Society Development for 2018-2020 and the Action Plan on its implementation. The Strategy will implement three general goals: strengthening the framework on the participation of civil society in developing and monitoring the implementation of public policies, promoting and strengthening the financial sustainability of civil society and developing the active civic spirit and volunteering.

### **March 29**

The meeting of establishing the Central Securities Depository (CSD) took place. During the meeting, the decision to establish the CSD was adopted, the governing bodies were designated and the establishing acts were approved. Thus, the CSD will be led by an executive committee consisting of three members. Also, the CSD's Supervisory Board is composed of representatives of the National Bank of Moldova, the National Commission for Financial Markets, the Ministry of Finance and the Moldovan Stock Exchange. The CSD was established established under the Law on the Central Securities Depository, adopted in 2016, and will be the only institution in the Republic of Moldova to keep record, deposit and provide settlement of state and corporate securities.

## EDITION SUMMARY

**Production**

During January-March 2018, the gross domestic product of the national economy has increased by 3,7% (in real terms) compared to the same period of 2017.

The following activities have significantly influenced the GDP growth: wholesale and retail trade (+1,2%); mining industry and manufacturing; production and supply of electricity, heat energy, gas, hot water and conditioned air; water distribution; sanitation, waste management, decontamination activities +0,8%; information and communications (+0,6%); real estate transactions (+0,2%); constructions (+0,2%); professional, scientific and technical activities; administrative and support service activities (+0,1%); financial and insurance activities (+0,1); art, recreation and leisure activities; other service activities; private household activities as an employer of home-keeping staff; activities of private households producing goods and services intended for own consumption (+0,1%).

The highest increases registered by industrial activities, during this period, were: manufacture of electrical equipment (+54,2%), manufacture of paper and paper products (+24,7%), leather tanning and finishing; manufacture of travel and leather products, harness and footwear; fur processing and colouring (+22,8) and manufacture of motor vehicles, trailers and semi-trailers (+22,1%). At the same time, there were also registered reductions in the indexes of industrial production for a series of activities: manufacture of basic pharmaceutical products and pharmaceutical preparations (-30,8%), manufacture of machinery and equipment n.e.c (-20,8%), etc.

In quarter I, 2018 the global agricultural production keeps its increasing trend, being by 1,0% higher compared to the same period of 2017. This growth is due to the livestock sector, which held 99% of total global production during the respective period.

In quarter I of 2018, the downward direction of the investment in fixed assets changes, being recorded a 2,9% growth sply. This is mainly due to the investment in tangible assets which accounting for 97,7% of total investment in fixed assets have risen by 2,3%.

The transport of commodities by all means of transport, during January-March, 2018 registered increases of 13,6% compared to the similar period of 2017. Also, during this period, the mileage of commodities rose by 6,4% sply.

**Prices and exchange rates**

**Average annual inflation rate** in the first three months of 2018 returned within the limits of stationary target range of 5 percent ( $\pm 1,5$  percentage points) and accounted for 5,2%, which represents a slight increase against the level recorded in the similar period of the last year (+0,9 p.p.). In quarter I, 2018, there were recorded the following increases for CPI components: food products - 8,4%, non-food products - 2,9%, services - 3,2%. In the first months of the year, the decreasing development of CPI was the result of the pressure decline from prices on food products, regulated prices and appreciation of the national currency.

**Core inflation** since the beginning of 2018 continues a downward trend, recording lower values compared to CPI ones. During January-March, 2018 the core inflation index amounted to 4,7% sply, up by 0,3 p.p. compared to the same period of 2017.

In monthly expression, compared to the same period of the last year, the growth rate of core inflation recorded the following rises: in January – 5,2%, in February – 4,8% and in March – 3,5%. The decreasing trend of core inflation was determined by the appreciation of the national currency against the major reference currencies and by the decrease of the inflationary pressures from the CPI components.

In the first quarter of 2018, the *exchange rate of national currency* against the major reference currencies continued its decreasing trend, registered since the beginning of 2017. In quarter I, 2018 the average nominal exchange rate against the major reference currencies was 20,6 MDL/EUR and 16,7 MDL/USD, appreciating by 3,2% against the single European currency and by 16,1% against the US dollar compared to the similar period of the previous year.

### *Monetary policy*

In quarter I, 2018, the NBM has maintained the parameters of the main instruments of the monetary policy constant: *interest rate of monetary policy* has been maintained at the level of 6,5 percent and the symmetric corridor amplitude formed around it by the interest rates on permanent facilities remained unchanged ( $\pm 3$  percentage points).

In quarter I, 2018, the NBM maintained the *reserve requirement ratio* from means attracted in Moldovan lei and non-convertible currency unchanged, at the level of 40 percent and the reserve requirement ratio from means attracted in convertible currencies at the level of 14 percent.

*Volume of official reserve assets* at the end of quarter I, 2018 increased by 74,9 mln.USD compared to the end of the last year, amounting to 2875,2 mln.USD.

In quarter I, 2018 *money supply* recorded a slowdown compared to the dynamics recorded in the same period of the last year. A more significant contribution to the increase of money supply have had the components of monetary aggregate M1, especially demand deposits in national currency similar to the period registered in the previous year.

### *Public finances*

*National public budget revenues* in the first quarter of 2018 were up by 10,8%. The tax revenues, especially taxes and duties on goods and services, with a weight of 65,81% of total receipts to the budget have mainly contributed to the increase of the public budget receipts.

In quarter I, 2018 the Republic of Moldova received grants worth 67,1 mln. MDL, by 78,5% more than the amount from the previous year. The most important donations were from the international organizations, while the governments of other states transferred only 12,52% of the grants from the first quarter of 2016. The external granters do not rush to increase the volume of financing, given that the actions, which determine the unlocking of these grants, are not accomplished by the government and some political decisions are against the recommendations of the international bodies.

In quarter I, 2018 the share of *national public budget expenditures* amounted to 12 153,77 mln. MDL, by 0,9% (108,1 mln. MDL) more compared to the same period of the previous year. The major weight in total expenditures was made to finance the social sector (40,66%), and the lowest expenditures of 0,19% – environmental protection.

The national public budget execution, in quarter I, 2018 has resulted in a *surplus budget balance of 1 131,1 mln. MDL*. It is the first time in the last 8 year, when in quarter I there is seen a budget surplus, however, this is not relevant when it is taking into account that the non-financing of several important expenditures is 588,9 mln. MDL at the level of the previous year.

On March 31, 2018, the **public debt balance** decreased by 1 221,2 mln. MDL or by 2,1% compared to the end of 2017 and amounted to 57 230,4 mln. MDL. According to the data on GDP forecast for 2018, on March 31, 2018 the weight of public sector debt in GDP amounted to 35,1%, decreasing by 3,8 p.p. compared to the end of 2017 and by 4,4 p.p. in comparison with the similar period of 2017.

### **Banking sector**

Maintaining a high degree of the credit risk is the main challenge of the financial stability of the Moldovan banking sector. The prudential indicators of the banking sector on risks, liquidity and solvency attest higher values than the limits of the minimum requirement, however the maintenance of the first 3 banks, totaling 65,53% of total bank assets in intensive supervision, gives negative alarms for the foreign investors, who are expected to take part in purchasing the equity stakes of 41,09% of „Moldova-Agroindbank” S.A. and about 63.89% of BC „Moldindconbank” S.A.

However, in the first quarter of 2018, in the domestic banking market appeared two foreign investors. In January 2018, at B.C. „VICTORIABANK” S.A. took place changes in the shareholder’s structure. Thus, on January 16, 2018, in the regulated market of the Moldova Stock Exchange took place the auction, where the equity stake of 39,2 percent has been sold. As a result, Banca Transilvania became the investor, being the second largest bank from Romania, through the VB Investment Holding B.V. dutch company. Following the transaction, the VB Investment Holding B.V. company, which since May 24, 2016 is a shareholder with a weight of 27,56% of the bank capital in partnership with Banca Transilvania from Romania and European Bank for Reconstruction and Development, currently holds 66,77% of the bank capital, which will increase up to 72,19% as a result of the additional purchase of 5,42% of the bank’s shares of the public takeover offer. At the same time, in March 2018 B.C. ”EXIMBANK - Gruppo Veneto Banca” S.A. becomes part of the Intesa Sanpaolo Group by substituting the majority shareholder – Veneto Banca Italian Bank.

The major problem of the banking sector is the **decrease of the gross loan portfolio** granted by the commercial banks, in quarter I, 2018 which registered negative developments of 3,34%. The decline in the pace of lending was also associated with the decrease in the risk level of portfolio. Thus, in quarter I of 2018, the value of non-performing loans amounted to 5 084,3 mln. MDL, down by 287,56 mln. MDL or 5,47% compared to March 31, 2017. At the same time, there is seen the migration of loans from legal entities to individuals (24,29%) and from foreign in national currency (59,7%). The decreasing trend of loans *provided to legal entities reflects the slowdown of the economic activity, high level of uncertainty as well as the continuous change in the pattern of development of the national economy, from production to consumption.*

**The increase in the value of assets was regrettably due to the increase of liquidities.** Therefore, the current liquidity index in the banking system recorded 56,8%, by 6,46 p.p. more compared to March 31, 2017 and by almost 3 times more than the minimum requirement set by the NBM. *Consequently we state an excessive increase of bank liquidities as well as a migration of a part of loan assets to low-risk liquid assets and acceptable profitability, such as the state securities.*

On March 31, 2018 the balance of banks deposits amounted to 60 577,76 mln. MDL, up by 1,1%, during the first 3 months of the year. Against the increase in the value of deposits, the deposit rate of individuals is declining, reaching 65,87%, down by 3,71% compared to quarter I of 2017. This decrement is due to the decline in income intended for people’s savings and reduced confidence of individuals in the banking system following the billion dollar theft. The balance of deposits in foreign currency diminished by – 540,84 mln. MDL or 2,09%, being the result of the significant strengthening of the national currency in the foreign exchange market attested during 2017 and in the first quarter of 2018. *The rise in the balance of deposits with the decline in*

*the balance of loans is the repercussion of a failed banking business pattern, when the balance of payable interest liabilities grows faster than the volume of interest assets.*

**The relative stability of the banking system is reflected by the financial result of banks in quarter I of 2018.** In March 2018, the banks' profit in the entire banking system was 522,3 mln. MDL, increasing by 22,52 mln. MDL or 4,31%. This rise is due to the increase of non-interest revenues by 26,5% or 145,1 mln. MDL and by the decrease of interest expenditures following the decline of interest rate on deposits by 23,7% or 123,5 mil. MDL.

The interest revenues totaled 1,1 billion MDL, decreasing by 170,4 mln. MDL compared to the same period of the previous year, as a result of the decrease of interest rate on loans and the volume of loan portfolio. Thus, the weight of interest revenues in total revenues is declining by 1,08%, reaching 38,6% on March 31, 2018. *The conclusion is not favourable for the banking system, provided that it gets considerable revenues from currency purchase and fund transfers and not from the financial intermediation activity, confirming a very poor involvement of banks in the activity of fund redistribution, and, implicitly, in the economic growth by ensuring the real economy with the necessary resources.*

The priorities of the Moldovan banking sector remain to ensure financial stability by complying with the prudential regulatory requirements. We mention, that for accomplishing this priority, enough effort was made and is still making. Thus, on January 1, 2018 the Law on banking activity no. 202 as of October 6, 2017, ensuring clarity to the banking environment, came into force. There are regulations ongoing, which aims to establish the requirements of own funds and handling of credit, market, operational and offset/delivery risks in the context of own resources. The banking system takes firmly the path of conformation to prudential requirements, derived from BASEL III accord.

### **External sector**

**Balance of payments.** In quarter I, 2018, **the current account** of the balance of payments has registered a deficit of 189,96 mln. USD. Compared to the similar period of the previous year, the balance of the current account rose by 51,2%. The balance of *services* amounted to 75,54 mln. USD. *The capital account* registered a negative balance of 7,27 mln. USD. *The financial account* ended in net capital inflows of 119,33 mln. USD.

**International investment position.** During the first quarter of 2018, *the total stock of liquidities in direct investment* amounted to 3894,38 mln. USD.

**Total volume of remittances** from abroad in favour of individuals from Moldova, in the first quarter of 2018 amounted to 297,45 million US dollars.

**Foreign trade in goods** in quarter I of 2018 equated to 2004,4 mln. US dollars, increasing by 28,6%, compared with the similar period of the last year. **The exports of goods** in the first quarter of 2018 totaled 678,2 mln. USD, by 28,4% more compared to the same period of the last year. **The imports of goods in** Q. I, 2018 accounted for 1326,2 mln. USD, by 28,7% more compared to Q. I, 2017.

**Deficit of the balance of trade** in quarter I, 2018 amounted to 648 mln. USD, by 145,5 mln. USD (28,9%) more compared to quarter I of 2017.

**Degree of imports coverage by exports** in Q. I 2018 was 51,1%, in relation to 51,2% during the similar period of 2017.

### *Business environment*

In the World Bank – Doing Business ranking 2018, Moldova remained on the same position as in the previous year, ranged in 44th place of 190 countries. The Moldovan business environment ranks behind such countries in the region as Georgia (9), Macedonia (11), Estonia (12), Lithuania (16), Latvia (19), Poland (27), Belarus (38).

Moldova registered the lowest ranking position in the following indicators „getting building permits” (165th position), which did not change the position compared to the previous year and „access to electricity” (80th position) worsening by 7 positions. The most significant worsening has been marked by the „getting loans” indicator (by 10 positions).

However, some indicators registered an improvement in the ranking. This was registered by only 3 indicators: „starting a business” indicator (+21 positions), „protection of minority investors” indicator (+9 positions) and „property registration” (+1 position).

In 2018, Moldova accumulated a total score of 73,00 points for DTF indicator, reflecting a slight increase of +0,20 points compared to the previous year.

### *Social sector*

**Demographic situation.** In Q I of 2018, the total number of live births in the country amounted to 8068 pers., decreasing by 458 children or by 5,4% compared to Q I of the previous year, the birth rate was 9,2 live births per 1000 inhabitants, declining by 0,4 p.p. sply. The number of deaths amounted to 10185 pers., decreasing by 649 persons or by 6,0% sply and mortality rate reached 11,7 deaths per 1000 inhabitants, down by 0,5 p.p. sply. The number of deaths of children aged under 1 year, in Q I, 2018 was 86 cases, being at the same level as in Q I, last year. The natural decrease in Q I, 2018 amounted to -2117 persons (-2308 persons in Q I, last year) or -2,4 persons per 1000 inhabitants (-2,6 persons per 1000 inhabitants in Q I, last year). The total number of *marriages* in the country in Q I, 2018 accounted for 3176, declining by 167 or by 5,0% compared to the same period of the previous year and marriage rate was 3,6 marriages per 1000 inhabitants, reducing by 0,2 p.p. sply. In the case of divorces in the country, the indicator was 2669, down by 171 or by 6,8% compared to Q I of the previous year. The divorce rate was 3,1 divorces per 1000 inhabitants, by 0,3 p.p. more sply.

**Labor market.** In Q I of 2018, the economically active population amounted to 1172,9 thousand pers., declining by 2,4% or by 28,7 thousand pers. compared to Q I of 2017. At the same time, the activity rate of population was 39,3%, declining by 1,0 p.p. against the level of Q I, 2017. Employed population amounted to 1124,6 thousand persons, being almost at the same level as in Q I of 2017. Employment rate of population aged 15 and over reached 37,7%, being at the level of Q I, 2017. In Q I of 2018, the number of unemployed, amounted to 48,3 thousand persons, down by 36,3% compared to Q I, 2017 (75,8 thousand pers.) according to the International Labour Office. Unemployment rate in the country in Q I, 2018 was 4,1%, being by 2,2 p.p. lower than in Q I of 2017. Inactive population in the country (aged 15 and over) in Q I, 2018 amounted to 1810,1 thousand persons and increased by 27,8 thousand persons or by 1,6% compared to quarter I of 2017. In Q I of 2018, NEET group held a weight of 29,4% of population aged 15-29 years (excepted the population working or looking for a job abroad).

**Labor remuneration.** In Q I of 2018, the gross average monthly nominal salary amounted to 5906,5 MDL, rising by 13,2% as against Q I of 2017, and in real terms – by 7,6%. The average monthly salary in public sector (5408,1 MDL) increased by 14,4% sply, in a greater degree than the average monthly salary in real sector (6108,1 MDL), which rose by 12,5% sply. The highest-paying economic activities are: Information and communications (13089,4 MDL), Financial and Insurance activities (11262,6 MDL), and Production and supply of electricity, heat energy, gas, hot water and conditioned air (9803,5 MDL).

**Household disposable revenues per month** in Q I, 2018 amounted to 2353,5 MDL on average per capita, up by 10,3% sply. In real terms, the household revenues rose by 4,8% sply. The most important sources of revenues remain to be: salaries (40,8%), social benefits (23,9%) and remittances from abroad (17,5%).

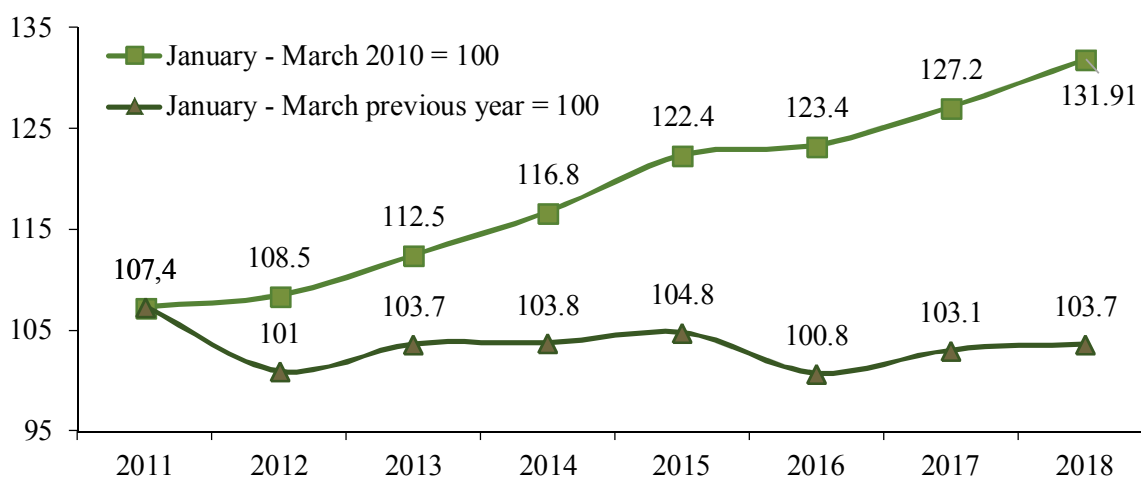
**Average monthly consumption expenditures of population** in Q I of 2018 amounted to 2329,8 MDL per capita, increasing by 11,4% compared to Q I of 2017. In real terms, adjusted to the consumer price indices, the household expenditures rose on average by 5,9% sply. The highest part of expenditures continues to be directed towards: food consumption (43,9%), housing maintenance (17,9%) and clothing and footwear (10,4%).

**Social protection of population.** According to the data of the National Social Insurance House (until indexing), the number of pensioners registered with the social protection bodies on April 1, 2018 amounted to 714,2 thousand persons or by 3,3 thousand persons more compared to April 1, 2017. The average amount of the monthly pension set on April 1, 2018 amounted to 1532,95 MDL, up by 13,2% compared to April 1, 2017.

## Chapter I PRODUCTION<sup>1</sup>

### Gross domestic product

In the first quarter of 2018, the gross domestic product reached 37609 mln. MDL (current prices), thus marking a net superior increase of 3,7% in real terms compared to the same period of 2017.



**Figure 1.1. GDP dynamics during Q1:2008 - Q1: 2018 (%)**

*Source:* Author's calculations according to the data of the NBS.

The main components which contributed to the increase of GDP are:

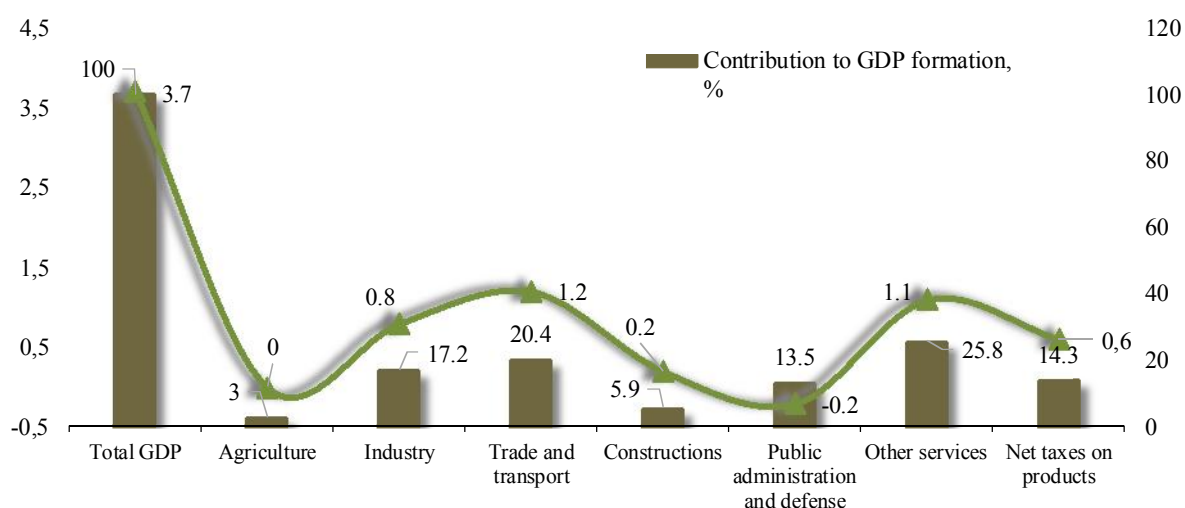
- Wholesale and retail trade; maintenance and repair of vehicles and motorcycles; transport and storage; accommodation and food service activities contributed 1,2% to the increase of GDP, with a weight of 20,4% to GDP formation and an increase of 6,3% in gross value added;
- Mining industry; manufacturing industry; production and supply of electricity, heat energy, gas, hot water and conditioned air; water distribution, sanitation, waste management, decontamination activities contributed 0,8% to the increase of gross domestic product, holding a weight of 17,2% to the GDP formation and an increase of 4,6% in gross value added;
- Information and communications contributed 0,6% to the increase of GDP, holding a weight of 6,6% to the GDP formation and an increase of 9,0% in gross value added;
- Real estate transactions contributed 0,2% to the increase of GDP, at the same time holding a weight of 8,1% to the GDP formation and an increase of 2,5% in gross value added;
- Constructions contributed 0,2% to the increase of GDP, holding a weight of 5,9% to the GDP formation and an increase of 3,5% in gross value added;
- Professional, scientific and technical activities; administrative service activities and support service activities contributed 0,1% to the increase of GDP, holding a weight of 4,1% to the GDP formation and an increase of 2,4% in gross value added;

<sup>1</sup> The analysis is presented without the data on enterprises and organizations from the left bank of the Dniester River and Bender municipality based on the official statistics compiled by the National Bureau of Statistics. In some cases, appropriately specified, available data regarding the Transnistrian region, disseminated by the regional statistical body are presented.

- Financial and insurance activities contributed 0,1% to the increase of GDP, having a weight of 4,1% to the GDP formation and an increase of 3,5% in gross value added;
- Art, recreation and leisure activities; other service activities; private household activities as an employer of home-keeping staff; activities of private households producing goods and services intended for own consumption contributed 0,1% to the increase of GDP, holding a weight of 2,9% to the GDP formation and an increase of 4,2% in gross value added.

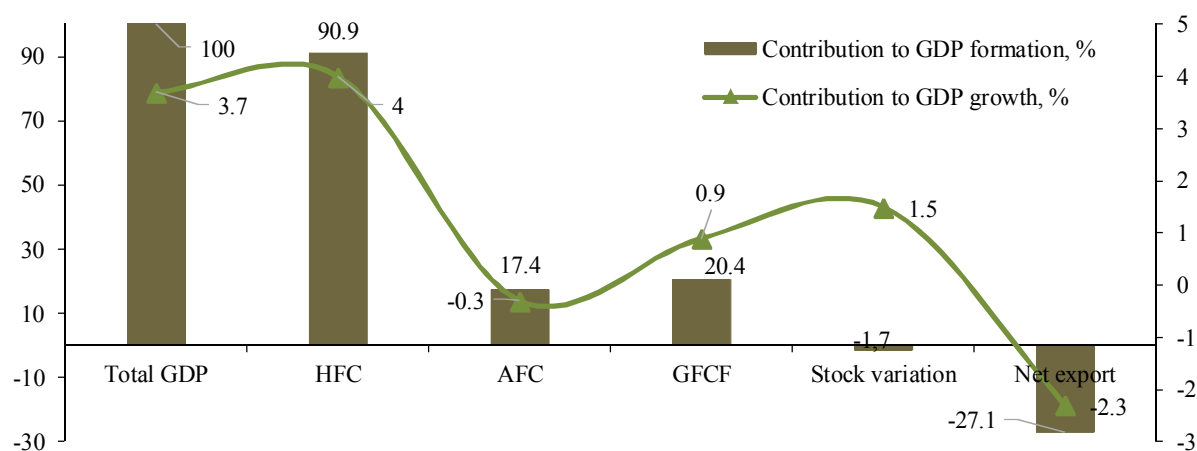
Again, during the same period, a series of activities have had a negative contribution on GDP and namely, public administration and defense; mandatory social security; education; health and social assistance which contributed 0,2% to the decrease of GDP, recording a weight of 13,5% and a decrease of 1,7% in the volume.

During January-March, 2018 the total gross value added in economy recorded increases of 3,6% sply, thus contributing 3,1% and 85,7%, respectively to the increase and formation of GDP. The volume of taxes on products, during this period recorded declines of 2,1% sply, contributing 14,4% and -0,3%, respectively to the formation and increase of GDP.



**Figure 1.2. Contribution of resource components to GDP formation in Q I 2018 and to its increase compared to Q I 2017,%**

*Source:* Author's calculations according to the data of the National Bureau of Statistics.



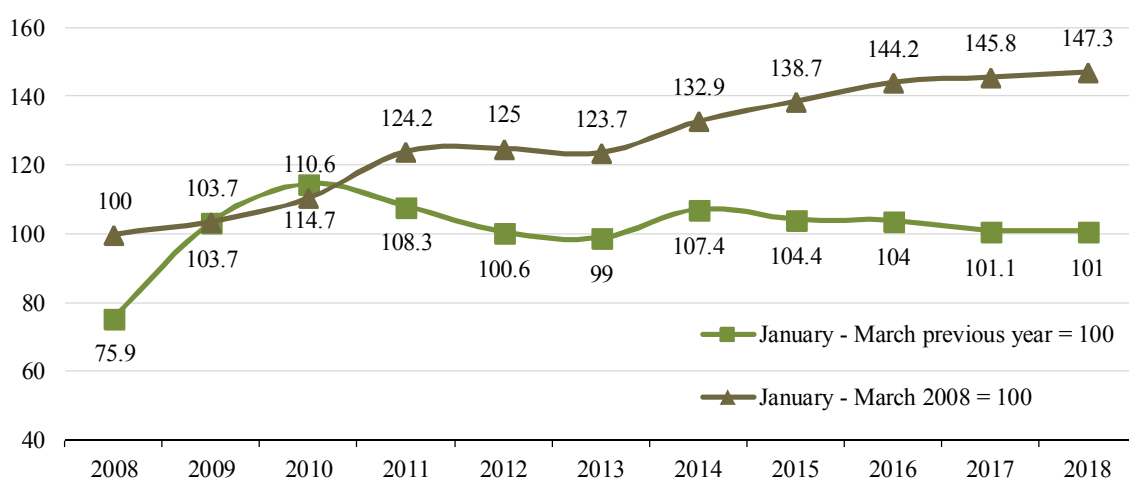
**Figure 1.3. Contribution of components of uses to GDP formation in Q1: 2018 and to its increase compared to Q1: 2017, %**

*Source:* Author's calculations according to the data of the National Bureau of Statistics.

In terms of uses, the increase was mainly due to the household final consumption, which during the respective period holding a weight of 90,9% in the GDP formation registered a 4,0% growth sply and an increase of 4,3% in the volume, as well as due to the gross fixed capital formation with a weight of 20,4% to GDP formation and a contribution of 0,9% to the increase of GDP and a growth of 4,2% in the volume.

### Agriculture

In the first quarter of 2018, the global agricultural production keeps its increasing trend, totaling 1633 mln. MDL at current prices, by 1,0% more compared to the indicators registered in the same period of 2017. This increase is due to the livestock sector, which holding 99% of total global production marked an increase of 1,0% sply. The rise in livestock sector was influenced by the production of cattle and poultry, which registered a 2,0% growth sply and milk production with an increment of 0,7% sply. For the same period, the egg production decreased by 1,1% sply.



**Figure 1.4. Dynamics of agricultural production in Q1:2008 – Q1:2018**

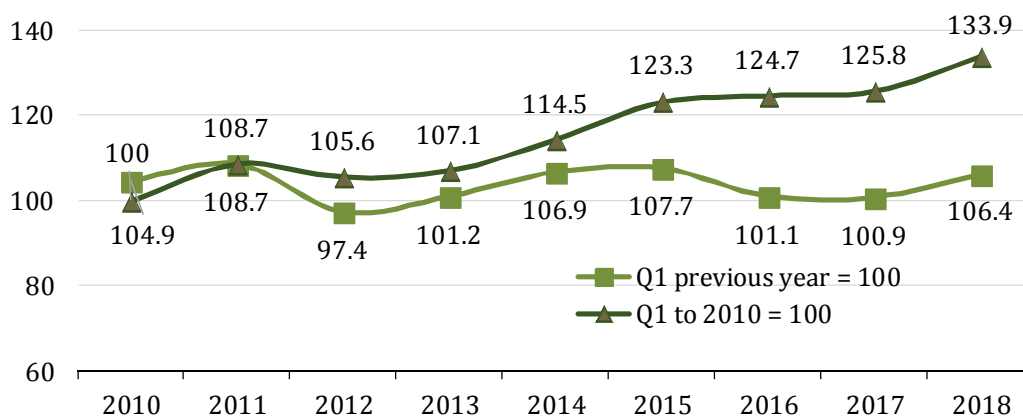
*Source:* Author's calculations according to the data of the NBS.

### Industry

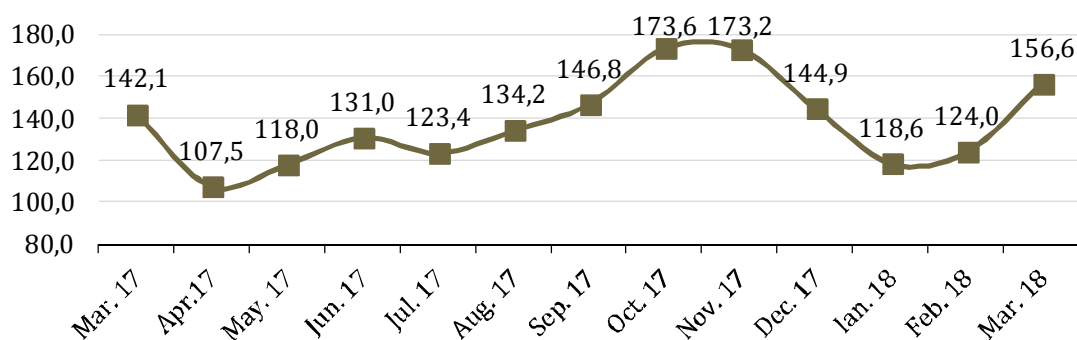
The first three months of 2018 were favourable for the industrial sector, which registered positive rises compared to the similar period of the previous year, marking an increase in industrial production of 6,4% (gross series). This result is especially due to manufacturing industry and production and supply of electricity, heat energy, gas, hot water and conditioned air, which during this period increased by 9,0% and 0,8%, respectively compared to the same period of the previous year. At the same time, mining industry has reduced by 14,4% sply.

In manufacturing industry, the most significant rises were observed in the following activities compared to the same period of the last year: manufacture of electrical equipment (+54,2%), manufacture of paper and paper products (+24,7%), leather tanning and finishing; manufacture of travel and leather products, harness and footwear; fur processing and colouring (+22,8) and manufacture of motor vehicles, trailers and semi-trailers (+22,1%). At the same time, there were also registered reductions in the indexes of industrial production for a series of activities: manufacture of basic pharmaceutical products and pharmaceutical preparations (-30,8%), manufacture of machinery and equipment n.e.c (-20,8%), repair, maintenance and installation of machinery and equipment (-9,8%).

In the respective quarter, food industry increased by 8,4% sply.



**Figure 1.5. Indexes of industrial production compared to Q1:2010 – Q1:2018 (%)**  
*Source:* According to the data of the National Bureau of Statistics.



**Figure 1.6. Monthly indexes of industrial production in January 2017 – March 2018 compared to 2010, (%)**  
*Source:* According to the data of the National Bureau of Statistics.

### Internal trade of goods and services

During January-March, 2018 the most activities of internal trade of goods and services (excepted vehicle and motorcycle trade) have had considerable growths compared to the same period of 2017, however with different values. Thus, the highest increase was registered for turnover in market services provided especially to enterprises (+8,8%), followed by turnover in market services provided to population (+5,8%), turnover in retail trade (+5,0%) and turnover in wholesale trade (+3,7%). During the respective period, the turnover in vehicle and motorcycle trade has reduced by 1,2% compared to the same period of the previous year.

### Investment in fixed assets

Finally, the first quarter of 2018 changed the downward course of investment in fixed assets, thus, during this period there were added up investment to the tune of 2434,5 mln. MDL (at current prices), increasing by 2,9% compared to the same period of 2017. This is mainly due to the investment in tangible assets, which accounting for 97,7% of total investment in fixed assets reistered increases of 2,3% during this period sply. It is also gratifying that the investment in intangible assets note also a significant increase of 33,1% sply, although they hold a low weight of 2,3% in total investment in fixed assets.

The most significant investment which influenced the growth trend of investment in tangible assets were in machinery, equipment, transmission installations, which holding a weight of 37,5%, have registered a 0,9% growth, followed by investment in non-residential buildings (+11,1%), means of transport (+22,8%) and other tangible assets (+5,0%) sply. There were

recorded reductions in the volume of investment in residential buildings (-6,3%) and engineering constructions (-1,6%).

The main source of financing remain the investors' own resources, which holding a weight of 76,6% of total investment resources enjoyed an increase of 5,1% sply, followed by resources of administrative-territorial units budget, with a great increase of 74,1% sply and other sources with a rise of 16,7%.

### Transport

During January-March 2018, the transport of commodities by railway, road, fluvial and air totaled 3,0 mln. tonnes commodities, thus recording a much higher value of 13,6% compared with the same period of 2017. Also, during this period, the mileage of commodities has increased by 6,4%, totaling 1016,1 mln. tonnes-km. This result was due to the increase of indicators recorded for all means of transport under the head of transported commodities, which marked increases at different paces sply. Thus, the road transport rose by 13,7%, railway transport by 12,9%, fluvial transport by 1,7 times and air one by 1,8 times.

The main mode of transport chosen by passensgers was and remains by buses and minibuses, which during the respective period decreased by 1,7% sply. The same trend is observed for the transport of passengers by railway, but with even higher reductions (-11,7%). At the same time, the public transport by river and air enjoys an increase in the number of passengers, which recorded growths of 1,8 times and 8,9%, respectively, sply.

### Tourism

During January-March 2018, the travel agencies and tour operators enjoyed a significant increase of tourist services provided to tourists and excursionists (+27,6%) compared to the same period of the previous year, these services were provided to 35,6 thousand persons. This increase is partly due to the growth in the number of participants in outbound tourism by 43,3% and inbound tourism by 6,8%. However, during the same period there is seen a decrease in the number of participants in domestic tourism – by 11,7%.

The tourists and excursionists arrived in the country through travel agencies and tour operators reached 1,6 thousand persons, increasing by 6,8% sply. Their main purpose was rest, recreation and leisure (77,3%), business and professional purpose (17,9%) and treatment purpose (4,8%). People who left abroad through travel agencies and tour operators totaled 27,8 thousand persons, increasing by 43,3% sply. Their main purpose was rest, recreation and leisure (98,0%), and the main destinations were Egypt (33,6%), Romania (28,0%), Bulgaria (10,6%), Ukraine (7,6%), Turkey (4,3%) and Italy (2,0%).

### *Situation in the region of the Republic of Moldova to the left of the Dniester River and Bender municipality<sup>2</sup>*

In quarter I of 2018, the region of the Republic of Moldova to the left of the Dniester continues the economic development trend recorded in 2017. According to the data presented by the statistical body of Transnistrian region, in quarter I of 2018, the industrial production index increased by 38,9% (in comparable prices) compared to the same period of 2017. This result is largely due to ferrous metallurgy, which rose by 3,1 times, followed by electrotechnical industry with an increase of 57%, forestry and wood processing +39,4%, food industry +25,1%, etc.

<sup>2</sup> According to the data of the statistical body of the Transnistrian region: <http://mer.gospmr.org/gosudarstvennaya-sluzhba-statistiki/informacziya/o-soczialno-ekonomicheskom-polozhenii-pmr.html> Due to the partial implementation of international standards in the development of official statistics by the Transnistrian statistical body, as well as the reduced access to metadata, the comparability of data with those compiled by the NBS is limited and difficult to assess.

During this period, the investment in tangible assets have declined as a result of reducing the investment in machinery, equipment and means of transport (with a weight of about 78,4%) by 21,8% and decreasing the investment in construction and assembly works by 13,2% in comparable prices. The main sources of financing were own resources – 64,3%, government budget – 32,1%, administrative-territorial units budget – 2,9 and other sources – 0,7%.

In quarter I of 2018, the global agricultural production in the region to the left of the Dniester increased by 20,3% in relation to the same period of 2017. This result hung on the increase of livestock production by 21,1% and vegetal production by 12,4%.

During the respective period, transport activity registers rises both in transport of commodities and in transport of passengers. Therefore, transport of commodities rose by 2,8 times and passenger one by 7% sply.

In the first quarter of 2018, the retail trade grew by 3,3% sply, as a result of the 7,7% increase in retail trade and 1,7% and 4,9% reductions in food trade and paid services provided to population.

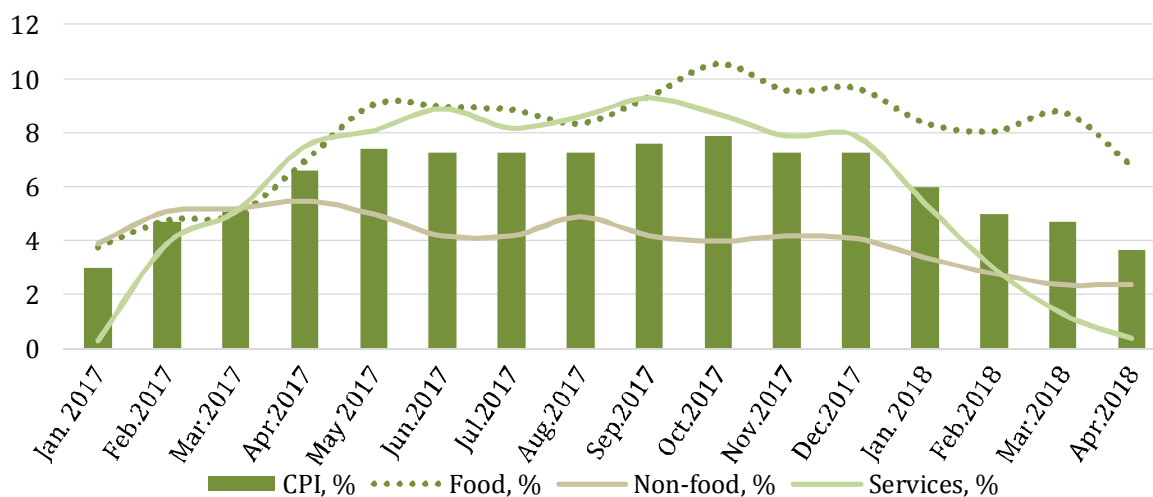
## Chapter II PRICES, EXCHANGE RATES AND MONETARY POLICY

### 2.1. Prices and exchange rates

#### Prices

In the first three months of 2018, the average annual inflation rate has slightly returned within the limits of stationary target range of 5 percent ( $\pm 1,5$  percentage points) and accounted for 5,2%, which is actually a slight acceleration compared to the level recorded in the same period of the previous year (+0,9 p.p.).

In quarter I of 2018, there were recorded the following increases for CPI components: food products – 8,4%, non-food products – 2,9%, services – 3,2%. In the first months of the year, the decreasing development of CPI was the result of the pressure decline from prices of food products, regulated prices and appreciation of national currency.



**Figure 2.1.1. Annual growth rate of CPI and its components, %**

*Source:* According to the data of the National Bureau of Statistics.

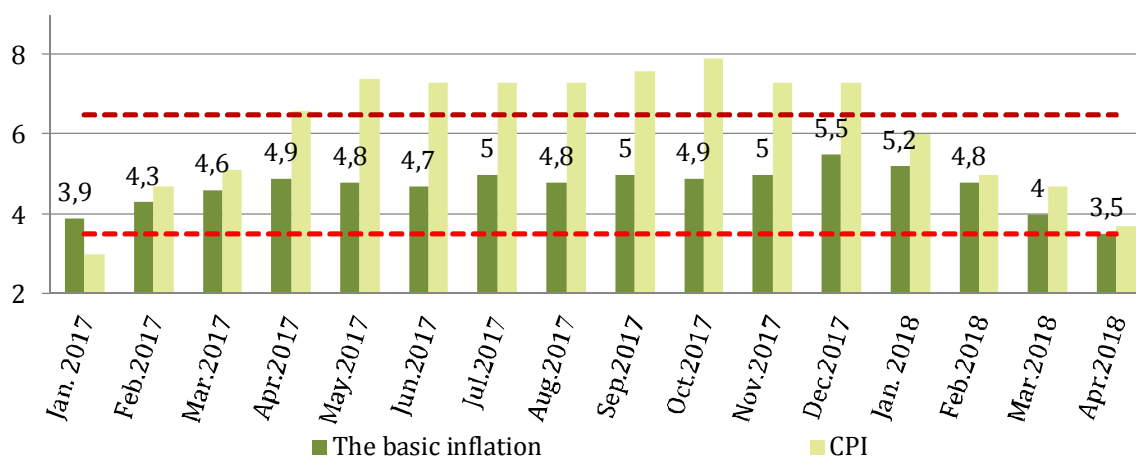
In quarter I of 2018, the prices of food products increased by 8,4%, which is an acceleration of 3,9 p.p. of the growth rate above the level recorded in quarter I of the previous year and a deceleration of 1,6 p.p. compared to the level recorded in the last quarter of 2017. In monthly expression, there were produced the following increases: in January – 8,4%, in February – 8,1%, in March – 8,8% compared to the similar period of the previous year. In quarter I of 2018, the food products with the most significant rises were: pork – 11,7%, vegetables – 31,7%, including: cabbage – 84,5%, onion – 66,3%, carrot – 27,4%, and potato – 17,3%, fresh fruits – 25,3% etc. Relative price reductions were recorded for eggs, vegetable oil and garlic.

Due to the dissipation of impact of the meteorological factors on prices of food products in 2017, it is forecast that during 2018 they will continue to drop. To the decline of these prices will also contribute the slight appreciation of national currency against the major reference currencies. The decrease of inflationary pressures from prices of food products will also favour the maintenance of CPI within the variation corridor targeted by the NBM.

The prices of non-food products in quarter I of 2018 rose by 2,9% sply, the value of this indicator decreasing by 1,8 p.p. compared to the same period of 2017 and by 1,2 p.p. against the last quarter of the previous year. In monthly expression compared to the similar period of the last year, the growths were: 3,4% in January, 2,8% in February and 2,4% in March. In the case of non-food prices the effect of the amendments made in fiscal policy which led to higher excise duties on several products is still being felt, however it is remedied by the decline of regulated prices (reduction of gas tariffs and drug prices) and the slight decrease of fuel prices thanks to the strengthening of the exchange rate of the national currency.

In quarter I of 2018, most non-food products, except for cars, TVs and drugs have registered rises in price. The highest rises in price sply have been recorded for: cigarettes – by 24,8%, carpets by 7,5%, footwear – by 5,8%, clothing – by 5,8 etc. The prices of non-food products rose due to the amendments made in fiscal policy which led to higher excise duties on several products.

In quarter I of 2018, the prices of services have registered a downward adjustment, advancing by 3,2% sply, or by 0,1 p.p. above the level of this indicator in 2017 and by 0,5 p.p. below the level recorded in quarter IV, 2017. In monthly expression, compared to the similar period of the previous year there were registered the following increases: in January – 5,4%, in February – 3% and in March – 1,3%). In the reference period compared to quarter I of the last year, the highest rises in price were recorded for health services – by 31,9%, education services – by 8,6% and tourist services – by 6,5%. The decrease of the natural gas prices by 20,2% and railway and air transport ones by 12,4% and 2,6%, respectively have contributed to the decline in prices of services.



**Figure 2.1.2. Annual growth rate of CPI and core inflation, %**

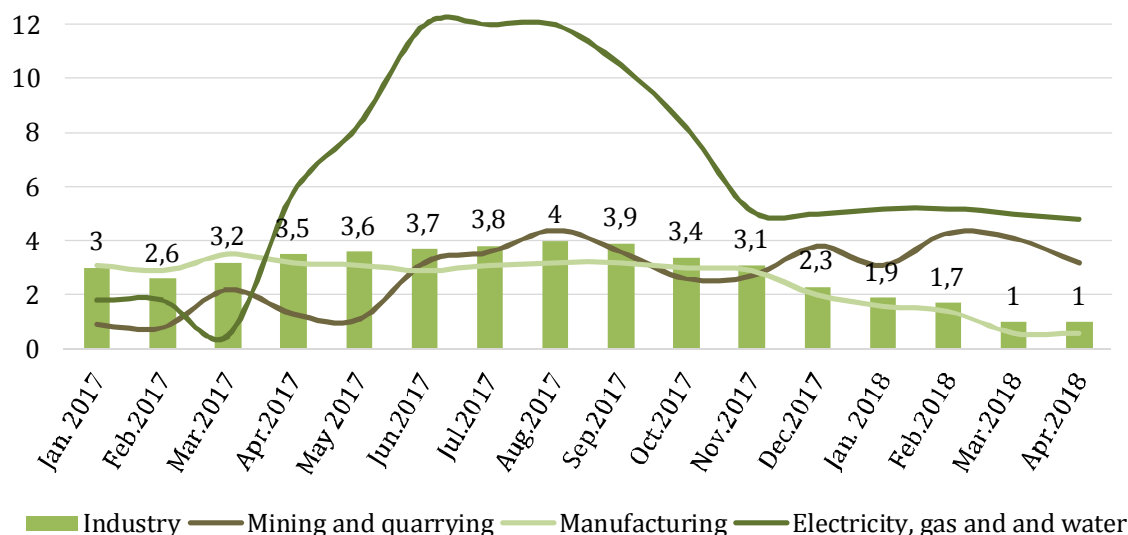
Source: According to the data of the National Bureau of Statistics.

**Since the beginning of 2018, the core inflation continues a downward trend, registering lower values compared to CPI ones.** During January-March 2018, the core inflation index accounted for 4,7% sply, up by 0,3 p.p. compared to the same period of 2017.

In monthly expression, compared to the similar period of the last year, the growth rate of core inflation recorded the following increases: in January – 5,2%, in February – 4,8% and in March – 3,5%. The decreasing trend of core inflation was due to the appreciation of national currency against the major reference currencies and decrease of inflationary pressures from CPI components.

**In the first quarter of 2018, the industrial production prices recorded a slowdown.** In January-March, 2018 the growth rate of annual index of industrial production prices decreased

by 1,4 p.p. compared to the same period of the previous year, reaching 1,5%. In industry, the following rises have been recorded sply: mining industry – 3,8%, manufacturing industry – 1,2%, energy sector – 5,1%. The decrease of the growth rate in industrial production prices was conditioned by the decline of prices in food industry due to a rich harvest of agri-food products from the second half of 2017 and the attenuation of impact of prices in energy sector and mining industry.



**Figure 2.1.3. Annual growth rate of industrial production prices and its components, %**  
*Source:* According to the data of the National Bureau of Statistics.

**The reduction of investment activity in constructions led to the sharp decline of the growth rate of producer prices in constructions.** Following the decrease of the annual growth rate of construction prices in 2017 up to 4,6% sply, in quarter I of 2018, the growth rate of construction prices declined by 4,7 p.p. and accounted for 1,9% compared to the level recorded during the same period of the last year.

The agricultural prices have a downward trend at the beginning of 2018, too. The rich harvest of agri-food products from the second half of 2017 favoured the acceleration of the fall in prices of agricultural products in the first quarter of 2018, reducing by 8,5% compared to the same period of 2017. In the reference period, the vegetable products, whose prices decreased by 10,7% sply and prices of livestock products registering a 2,8% decrease in comparison with the similar period of the last year have contributed to the decline of the annual growth rate of this category of prices.

**Since the beginning of 2018, the strengthening of the exchange rate of the national currency has reduced the pressures of fuel prices on CPI.** In quarter I of 2018, the growth rate of fuel prices in the domestic market was 1,9% sply, down by 4,7p.p. against the similar period of 2017. In monthly expression, sply, the fuel price indices recorded the following values: in January – 2,7%, in February – 2,4% and in March – 2,5%).

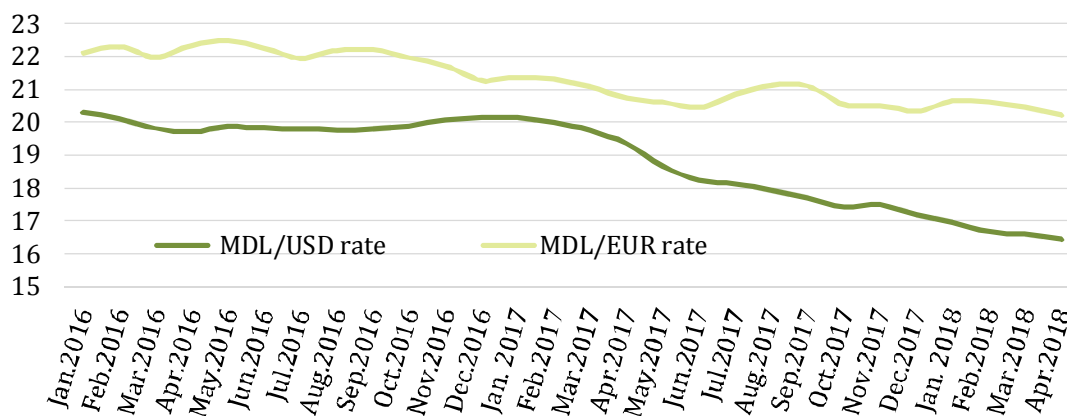
**Exchange rates**

**In the first quarter of 2018, the exchange rate of national currency against the major reference currencies continued its declining trend since the beginning of 2017.**

In the first quarter of 2018, the average nominal exchange rate against the major reference currencies was 20,6 MDL/EUR and 16,7 MDL/USD, appreciating by 3,2% in relation to the single

European currency and by 16,1% against the US dollar compared to the same period of the last year.

In monthly expression, the average exchange rate of the national currency against the single European currency has recorded the following values: in January and February – 20,6 MDL/EUR, and in March – 20,5 MDL/EUR. During quarter I, 2018 the average exchange rate of leu in relation to US dollar was 17,0 MDL/USD in January, 16,7 MDL/USD in February and 16,6 MDL/USD in March.



**Figure 2.1.4. Development of average monthly nominal exchange rate of MDL in relation to USD and EURO**

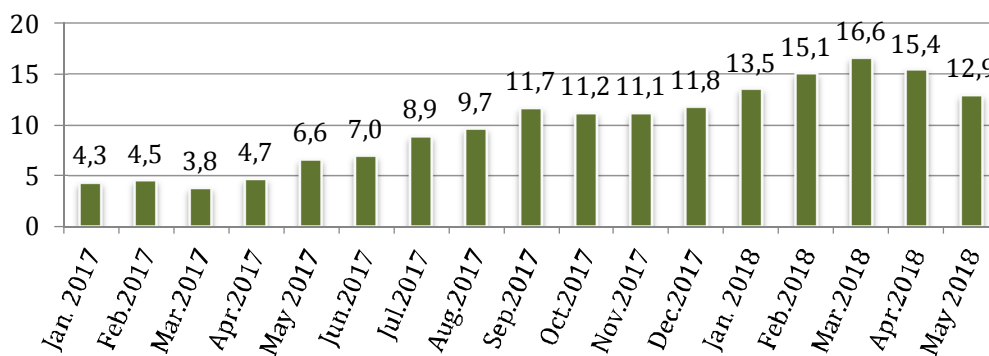
*Source:* According to the data of the National Bank of Moldova.

**The appreciation of the nominal exchange rate in Q I, 2018 consolidated also the position of the real exchange rate of the national currency.** In real terms, Moldovan leu has appreciated during this period by 13,8% in relation to USD (in comparison with the same period of the last year) and by 6,5% against Euro sply.

***Region of the Republic of Moldova to the left of the Dniester River.***

In the first three months of 2018, a decrease in the growth rate of annual inflation rate was attested in the region to the left of the Dniester River. However, compared with the same period of the previous year, in quarter I of 2018 it was up by 10,9 p.p. and accounted for 15,1%.

The highest inflationary pressures on CPI during this period came from prices of food products. The agri-food products had a major impact and their prices have significantly increased during this period.



**Figure 2.1.5. Annual growth rate of CPI in region from the left side of the Dniester River, %**

*Source:* According to data of Central Bank in the region to the left of the Dniester River.

In 2018, the Central Bank in the region to the left of the Dniester River continued its policy of adjusting the exchange rate to the internal economic realities. In February 2018, the fixed exchange rate of US dollar has been increased from 15,50 rubles to 16,00 RUB/USD. As a result of these amendments, the real effective exchange rate index, which is the main index in decision making on foreign exchange policy, has decreased.

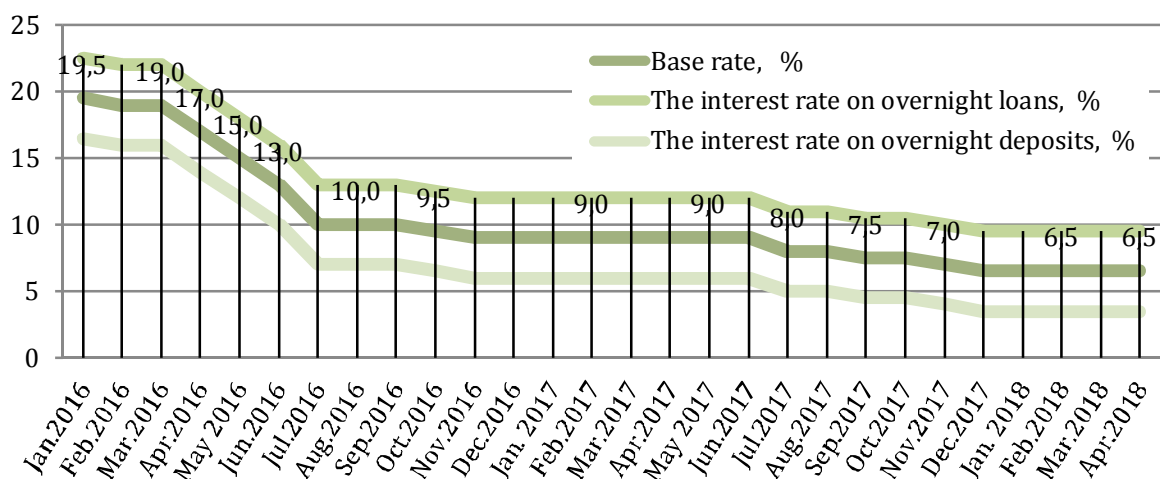
After the interventions of the Central Bank, the Transnistrian ruble has significantly depreciated. The average nominal exchange rate, during the first quarter of 2018 was 19,5 rubles per one Euro, depreciating by 60% against the value from the similar period of the last year.

## 2.2. Monetary policy

In the first quarter of 2018, the National Bank of Moldova, in the context of its primary goal to ensure and maintain the price stability, continued to provide the return of medium-term annual rate of inflation at the level of stationary target so that to support the economic growth, including by strengthening the confidence and lending.

### Monetary policy instruments

**In quarter I, 2018 the NBM kept the parameters of the main monetary policy instruments constant:** interest rate of monetary policy has been maintained at the level of 6,5 percent and the symmetric corridor amplitude formed around it by the interest rates on permanent facilities remained unchanged ( $\pm 3$  percentage points).



**Figure 2.2.1. Development of interest rates on monetary policy instruments of the National Bank of Moldova**

Source: According to the data of the National Bank of Moldova.

### Required reserves

**The NBM, interconnected with the current and perspective development of the structural liquidity excess in the banking system, as well as how the liquidity has been managed, maintained the required reserve from means attracted in Moldovan lei and non-convertible currency unchanged, at the level of 40 percent** and required reserve from means attracted in convertible currencies, at the level of 14 percent.

In the ordinary way, the maintenance of the ratio of required reserves at a sufficiently high level may determine a series of side effects, such as: increase of loan costs, competitiveness damage of some banking institutions, amendments in the structure of banking operations. However, in the Republic of Moldova we see only the immobilization of a substantial part of resources of the commercial banks which could be directed towards lending and funding of the national

economy. In this context, the monetary authority should find other opportunities to sterilize the excess liquidity in the economy, especially given that the interest rate channel of monetary policy has proven to be non-operating.

#### *Open market operations and standing facilities*

**In order to manage properly the liquidity in the banking system, the NBM followed the path of continuous absorption of the net excess liquidity in the banking system through NBC sales and deposit facilities.** During quarter I, 2018 the average monthly balance of sterilization operations was higher compared to the same period of the previous year (up by 2,27 bln. MDL) amounting to 8,98 bln. MDL. The highest balance was recorded in March 2018 when the average daily balance of the NBC sales was – 9,1 bln. MDL.

In quarter I of 2018, the demands for "overnight" deposits decreased slightly, the average daily balance amounting to – 733,3 mln. MDL, 633,6 mln. MDL and 898,8 mln. MDL, for January, February and March compared to the similar period of the previous year. The demand for "overnight" loans facility from the NBM on behalf of the commercial banks came only in March and amounted to 11 mln. MDL.

#### *Foreign exchange market interventions*

**In quarter I of 2018, the NBM has intervened on the foreign exchange market especially as a buyer of foreign currency in order to absorb the excess of freely convertible currency and mitigate the volatility of the MDL exchange rate.** The volume of foreign currency purchases in quarter I of 2018 amounted to about 162,4 mln. USD.

**Table 2.2.1. NBM activity on interbank foreign exchange market during January 2017 – April 2018**

Month	Volume of purchases, (equivalent mln. US dollars)	Volume of sales, (equivalent mln. US dollars)
January 2017	0,48	-
February 2017	0,46	-
March 2017	28	-
April 2017	9,5	-
May 2017	37,4	-
June 2017	52,81	-
July 2017	70	-
August 2017	58,9	-
September 2017	67	-
October 2017	80	-
November 2017	20	-
December 2017	10	-
January 2018	101	44,4
February 2018	41,6	-
March 2018	19,8	0,3
April 2018	11	0,13

*Source:* According to the data of the National Bank of Moldova.

**In quarter I of 2018, the consistent foreign currency purchases led to the consolidation of the official reserve assets. At the end of quarter I, 2018 the official reserves increased by 74,9 mln.USD compared to the end of the previous year and amounted to 2875,2 mln.USD.** In the first months of quarter II, 2018 the official assets decrease slightly, from the payments of Moldovan external public debt service and the exchange rate depreciation of foreign exchange reserves components in relation to US dollar account.

*Monetary indicators*

In quarter I of 2018 the money supply registered a slowdown compared to the same period of the last year. A more significant contribution to the increase of money supply have had the components of monetary aggregate M1, especially demand deposits in national currency compared to the same period of the last year.

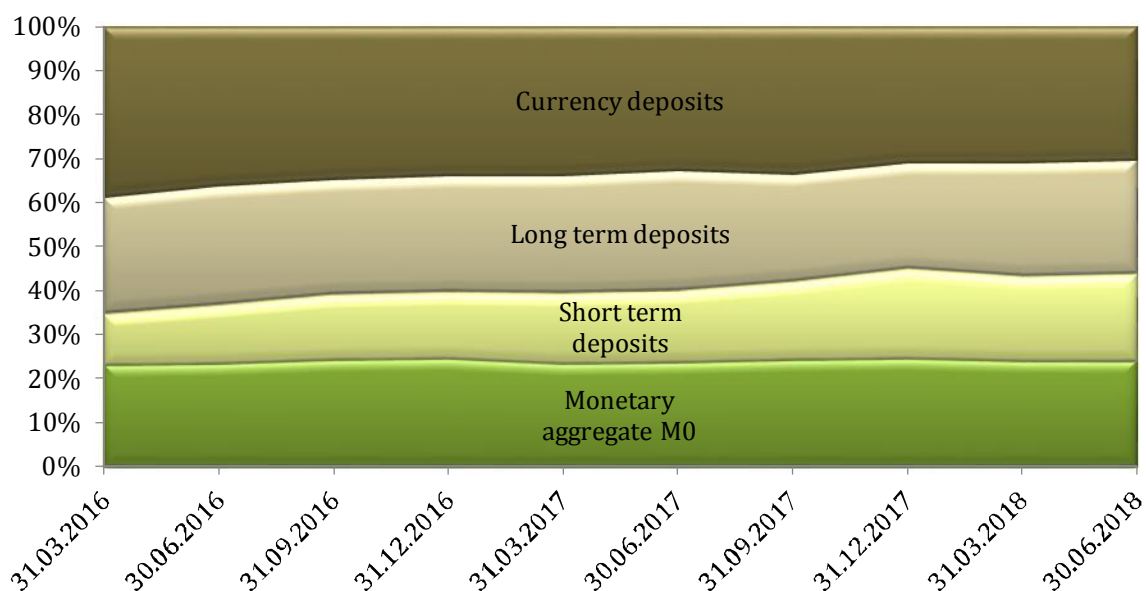
In this context, on March 31, 2018 the stock of monetary aggregates compared to the data registered on March 31, 2017 has developed as follows:

- monetary aggregate M0 increased by 12,6%, and amounted to about 18,4 bln. MDL;
- monetary aggregate M1 grew up by 19,8% reaching 33,3 bln. MDL;
- growth rate of monetary aggregate M2 rose by 14,1%, accounting for about 52,9 bln. MDL
- monetary aggregate M3 posted a growth of 9,5% and equated to 76,9 bln. MDL.

At the end of quarter I, 2018 the volume of monetary base recorded an essential growth of 16% sply, amounting to 39 bln. MDL.

**The money supply in national currency strengthens slightly its positions in total money supply, however from the increase in the volume of monetary aggregate M1.** In quarter I, 2018 major structural changes regarding the weight distribution of different components in money supply did not loosely occur.

On March 31, 2018, the money supply components were distributed as follow: monetary aggregate M0 (currency in circulation) – 24%; demand deposits – 19,2%; term deposits – 25,6% and deposits in foreign currency – 31,2%. Compared to the data at the end of quarter I of 2017 it is mentioned a 2,7 p.p. reduction in the weight of deposits in foreign currency and a 0,9 p.p. decrease in the weight of term deposits in national currency sply. At the same time, the weight of monetary aggregate M0 and demand deposits increased by 0,7 p.p. and 3 p.p., respectively.



**Figure 2.2.2. Structure of money supply M3**

*Source:* Calculations according to the data of the National Bank of Moldova.

The structure of money supply represents an increasing trend in short-term deposits (demand deposits) which cannot be used for long-terms investment. Given that the national banking sector is characterized by a high degree of liquidity, this does not play a significant role as an investors, cannot influence the transformation of savings in investment, and therefore does not

bring the necessary contribution to increase the real economy. At the same time, the increment in the volume of deposits is due to the rise of remittances and lack of other saving instruments in the Moldovan financial market.

### *Monetary policy in the region to the left of the Dniester River*

The monetary policy strategy of the central bank of the Republic of Moldova's region to the left of the Dniester River is based on the principle of overcoming the economic crisis in the region and maintaining the stability of the financial system. In this respect, in 2018 there was decided to maintain the model of promoting the monetary policy based on the exchange rate targeting.

During quarter I, 2018 the refinancing rate of the central bank was maintained at the level of 7% under several moderate inflationary processes in the region. The ratio of required reserves was maintained at the level set in February 2017 – 12% for sources attracted in foreign currency and 15% for those attracted in rubles.

At the end of quarter I, 2018, the money supply in the region from the left of the Dniester was 7796,3 mln. rubles (equivalent of about 7518,8 mil. MDL<sup>3</sup>), recording an increase of about 45,7%, compared to the volume of money supply recorded in the same period of the last year. This growth is due to the depreciation of ruble during this period by the central bank in the region of the Republic of Moldova from the left of the Dniester River (since June 2017, the fixed exchange rate of US dollar increased in several steps from 11,30 to 16,00 rubles).

The amendments in monetary policy left their mark on the money supply structure too. On January 1, 2018 the money supply components were distributed as follow: monetary aggregate M0 (currency in circulation) – 11,9%; quasi money – 20,1%; money supply in foreign currency – 67,9%. Compared to the similar period of the previous year, by the end of the first quarter of 2018, the weight of money supply in foreign currency increased essentially by 2,5 p.p. and quasi money by about 2 p.p. and currency in circulation decreased by 4,2 p.p.

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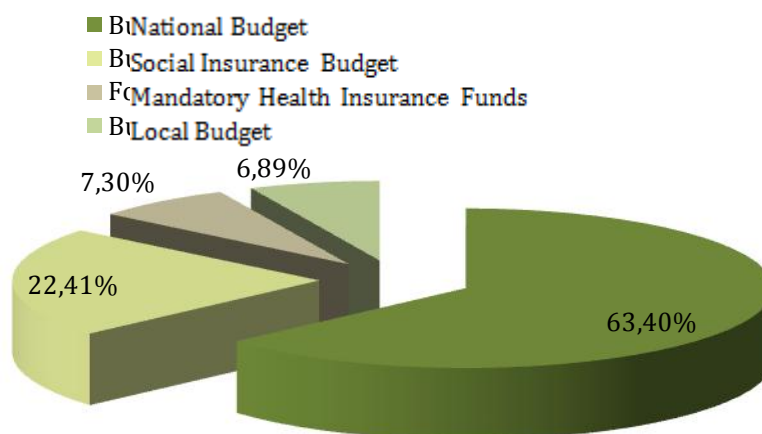
<sup>3</sup>Calculated according to the official exchange rate of the CBPMR on April 1, 2018, <http://www.cbpmr.net/?kv=1&lang=ru>

## Chapter III FINANCES

### 3.1. Public finances

The beginning of this year is more favourable for the public budget than the first months of 2017. Thus, in the first quarter of 2018 the national public budget revenues were collected in the amount of 110,8% compared to the same period of the year.

In the first 3 months of 2018, the total national public budget revenues amounted to 13284,8 mln. MDL, increasing by 10,8% (1290,5 mln. MDL) compared to the same period of the last year. The analysis of the net revenues structure of NPB (without transfers between budgetary components) reflects a significant weight of the government budget receipts, 63,40% of total revenues, though in quarter I of 2017, this contribution was more considerable – 64,56%. Instead, the contributions to the social insurance budget rose as weight and volume, currently accounting for 22,41% (against 21,62% in quarter I, 2017). The decrease in the government budget receipts migrated not only to PSIB but also to MHIF, which has a low weight of receipts of 7,30%, and up by 0,11 p.p. compared to the similar period and to the local budget which rose the weight of net receipts in total by 0,29%, reaching the weight of 6,89%.



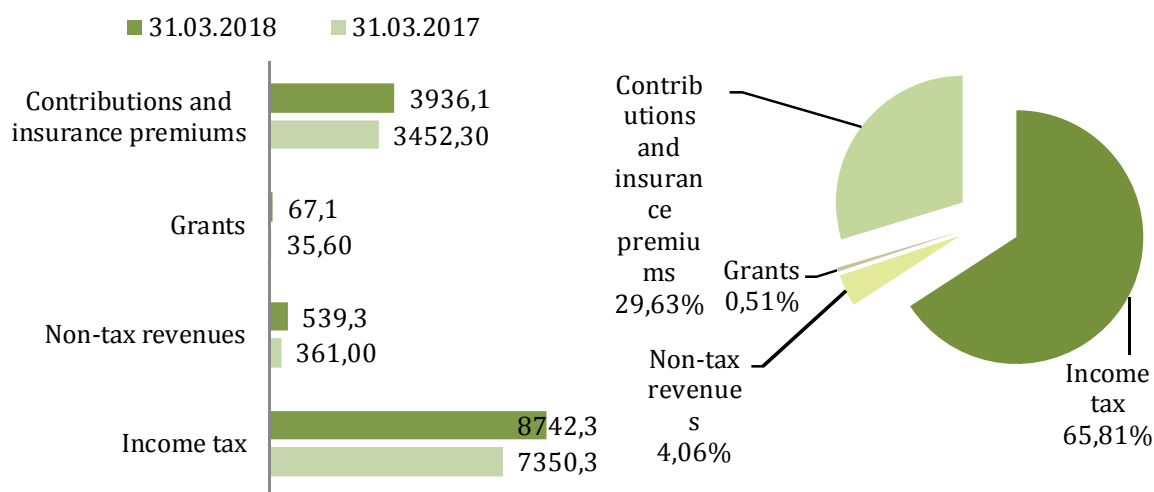
**Figure 3.1.1. Structure of revenues in NPB in quarter I, 2018, mln. MDL**

*Source:* According to the data of the Ministry of Finance.

At the same time, the local budgets were provided with the highest transfers from the government budget account. Thus, the Government budget benefited by 2,8 mln. MDL and granted 4 427,6 mln. MDL as transfers, of which 2 055,9 mln. MDL – to local budgets, 682,0 mln. MDL – MHIF and 1 689,7 mln. MDL – to social insurance budget. In 2018, the funding trend of local budgets is also maintained from the government budget account.

The value of tax revenues during the analyzed period amounted to 8742,3 mln. MDL, increasing by 9,2% or by 736,3 mln. MDL compared to the previous year. The highest contribution have had the VAT, with 46,25%, income tax – 33,04% excise duties – 11,26%, of which the excise duties on imported goods hold the highest part – about 96%. It is worth mentioning, that the volume of excise duties collection and their weight in tax revenues has reduced compared to the previous year. Therefore, there were collected excise duties in the amount of 74% compared to the value collected in the previous year or by 345,5 mln. MDL less. The taxes and duties on goods and services totaled 62,13% of the total compared with 71,29% during the same period of the

last year. The collections of real estate taxes have also declined compared to quarter I of the last year – only 96,4% and the real estate taxes had also an insignificant value.



**Figure 3.1.2. Structure of revenues by source in NPB in quarter I, 2017-2018, mln.MDL**  
**Source:** According to the data of the Ministry of Finance.

The non-tax revenues amounted to 539,3 mln.MDL in quarter I of 2018, by 8,6% more compared to quarter I of 2017, however its components have significantly changed: „Property revenues” equated to 65,7 mln.MDL, up by 99,7% compared to the similar period of the previous year, „Administrative fees and payments” with 86,6 mln. MDL, up by 11,5% while received equities increased by only 33,3%, revenues from fines and sanctions by 27,9%. At the same time, the debt interests were collected over 200% compared to the same period of the last year. Thus, the state collects higher revenues from debts than from the efficient management of its property, including as an entrepreneur.

On March 31, 2018 contributions and required insurance premiums equated to 3936,1 mln. MDL, up by 14,0% compared to the same period of the previous year.

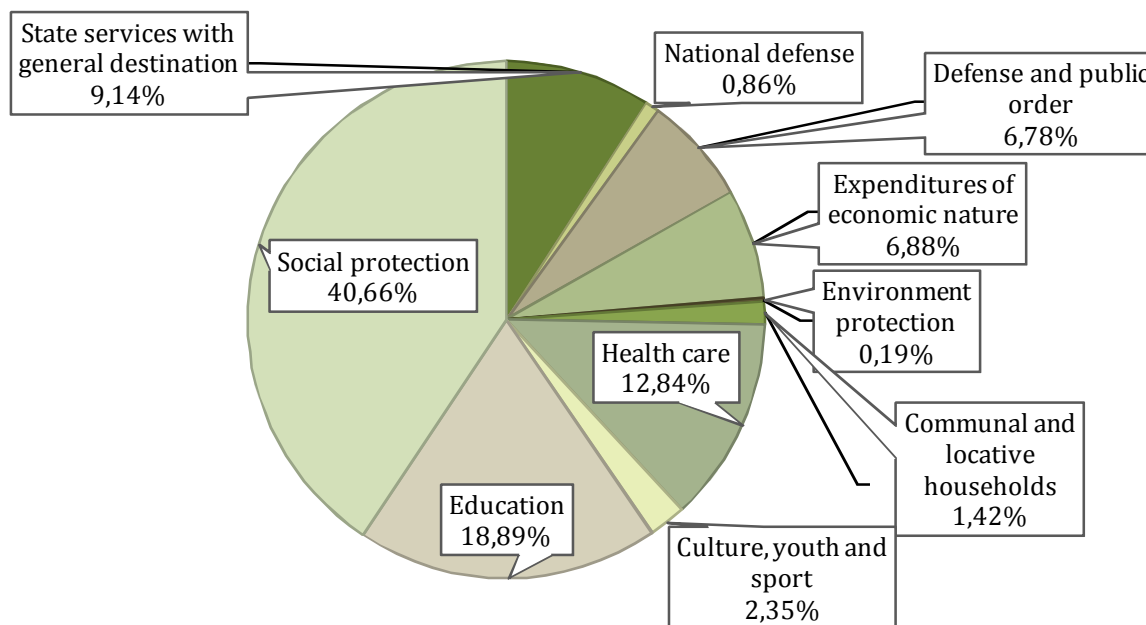
In the first quarter of 2018, the Republic of Moldova received grants in the amount of 67,1 mln. MDL, which is by 78,5% more than the amount received in the previous year. However, this is not a quality element of NPB receipts as the value of grants from this year is not high, the amount from the previous year is very low. The most important donations were from international organizations while the governments of other countries transferred only 8,4 mln. MDL or 12,52% of the grants from the first quarter of 2018. *The external granters do not rush to increase the volume of financing, given that the actions, which determine the unlocking of these grants, are not accomplished by the government and some political decisions are against the recommendations of the international bodies.*

The share of **national public budget expenditures** accounted for 12 153,7 mln. lei, by 0,9% (108,1 mln. MDL) less compared with the same period of the last year. During this period, the social sector financing had the highest weight of the total:

- social protection, which increased by 6,6% up to 4 941,4 mln. MDL compared to the same period of the last year;
- education rose by 6,1% sply totaling 2295,3 mln. MDL;
- health protection grew up by 0,9%, amounting to 1560,9 mln. MDL on March 31, 2018.

It is worth mentioning, that a series of government expenditures are in decline compared with the same period of the last year. The highest deficit of source allocation have had the services in

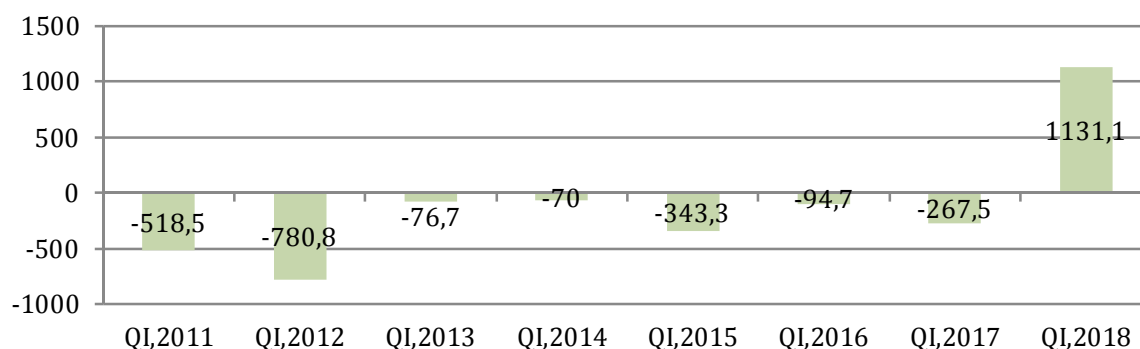
economy – only 66,4% of financing from quarter I of 2017. The decrease of expenditures was also attested in *state services with special destination* – 8,5%, national defense – 2,6%, environmental protection and public utility services household – 22,9% and 23,3%, respectively. We mention a decrease in expenditures for environmental protection for the third consecutive year which cannot be considered a positive thing for the economic and social future of the Republic of Moldova.



**Figure 3.1.3. Structure of expenditures in NPB in quarter I, 2018,%**

**Source:** According to the data of the Ministry of Finance.

In quarter I of 2018, the national public budget execution resulted in a (surplus) budget balance of 1 131,1 mln. MDL. It is the first time in the last 8 year, when in quarter I there is seen a budget surplus, however, this is not relevant when it is taking into account that the non-financing of the aforesaid expenditures is 588,9 mln. MDL at the level of the previous year.



**Figure 3.1.4. NPB deficit, mln. MDL**

**Source:** According to the data of the Ministry of Finance.

**The fund balances in the government budget accounts** increased by 564,2 mln. MDL compared with the beginning of the year and on March 31, 2018 amounted to 5 482,8 mil. MDL, including 583,5 mln. MDL – for projects funded from external sources. On February 21, 2018 in the foreign currency accounts of the Ministry of Finance opened at the National Bank of Moldova there were collected funds from IDA (International Development Association) for sectoral development (Social Assistance) worth 0,9 mln. US Dollars (14,5 mln. MDL).

On March 31, 2018, the balance of public debt decreased by 1 221,2 mln. MDL or by 2,1% compared to the end of 2017 and accounted for 57 230,4 mln. MDL. According to the data on GDP forecast for 2018, the weight of public debt in GDP was 35,1% on March 31, 2018, recording a 3,8 p.p. decline against the end of 2017 and 4,4 p.p. compared to the same period of 2017.

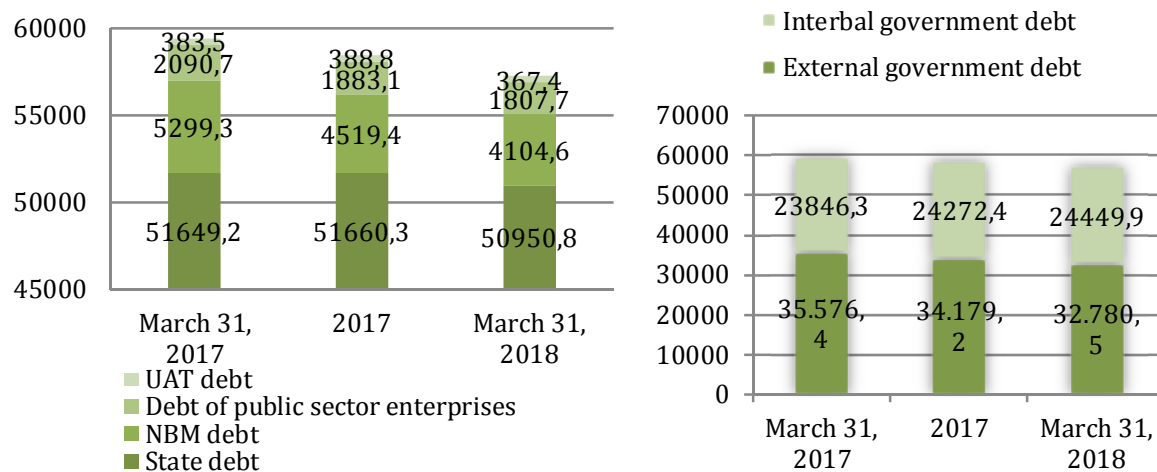


Figure 3.1.5. Structure of public sector debt during 2017-2018

Source: According to the data of the Ministry of Finance.

It is worth mentioning that by the end of quarter I, 2018 all components of the public debt registered lower values compared to those recorded by the end of 2017. The government debt decreased most – by 709,5 mln. MDL, and NBM one by 414,8 mln. MDL.

On March 31, 2018, the external public debt amounted to 1 990,5 mln. US dollars, (equivalent of 32 780,5mln. MDL), or 57,3% of the public sector debt balance and internal public debt equated to 24 449,9 mln. MDL (42,7%). During the first quarter of 2018, the public sector debt declined being especially influenced by the decrease of the value in MDL of the external public debt, which registered a downward of 4,1% against the appreciation of Moldovan leu as the value in USD rose by 164,2 mln.

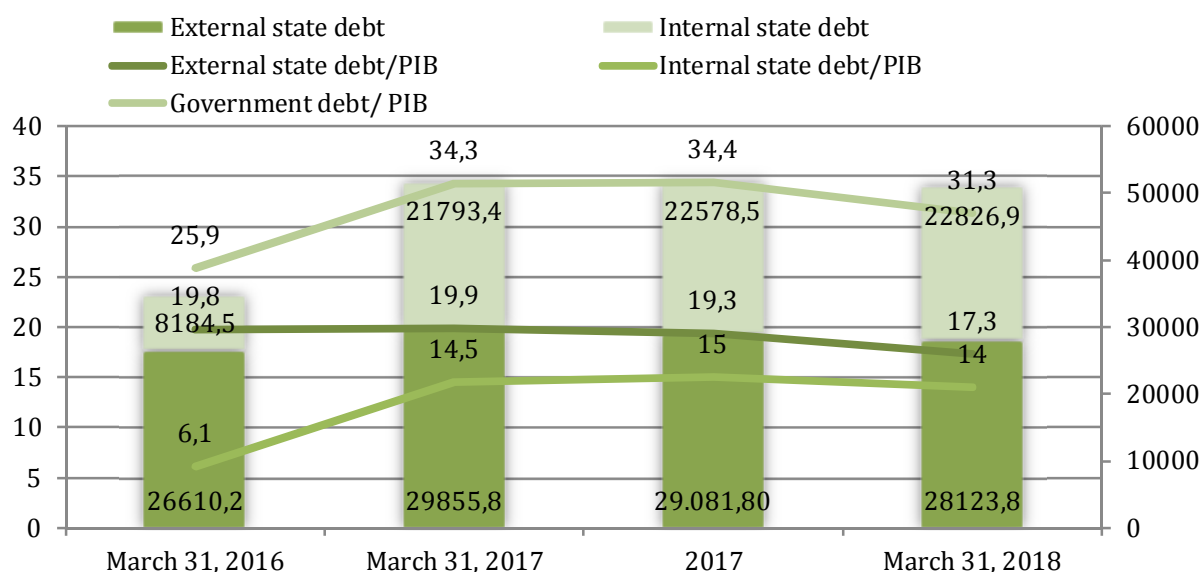


Figure 3.1.6. Relation of debt types against GDP

Source: According to the data of the National Bank of Moldova.

On March 31, 2018, the public debt balance amounted to 50 950,8 mln. MDL, decreasing by 709,6 mln. MDL or by 1,4% as against the end of 2017, being influenced by the decline of the external public debt balance of 958,0 mln. MDL, due also to the appreciation of the national currency mitigated by the increase of the internal public debt balance of 248,4 mln. MDL. According to the data on GDP forecast for 2018, the weight of public debt in GDP on March 31, 2018 accounted for 31,3%, decreasing by 3,1 p.p. compared to the end of 2017.

The public debt structure by maturity denotes a high quality, given that the *short-term public debt* holds a weight of 21,6%, almost a fifth of the public debt balance will reach to maturity within a year. The long-term debt accounts for 78,4% of the public debt portfolio, with the longest periods of maturity of the external public loans and internal state securities issued for the execution of the state guarantees.

Pursuant to *structure by currency* of the public debt, the highest weight belongs to internal public debt in MDL 44,8% (of which 26,1% – SS issued for the execution of the state guarantee), followed by the external public loans denominated in SDR currency basket – 31,8%. The next positions are occupied by Euro – 16,1%, US dollar – 5,4%, Japanese yen – 2,0% and Sterling – 0,02%.

The public debt with floating interest rate was 14,6% of the public debt portfolio, up by 0,1 p.p. in relation to the end of 2017 and a 0,2 p.p. decline compared with the similar period of the last year. The public debt with fixed interest rate accounted for 85,4 percent of the public debt portfolio. 41,2% of debt with fixed rate is external debt and 44,2% – internal debt.

### 3.2. Banking sector

The Moldovan banking sector experienced positive developments during the first quarter of 2018. Although the indicators characterizing the general activity of banks and prudential ones have recorded a positive trend, the first 3 banks in the system, BC „Moldova -Agroindbank” S.A., BC „Moldindconbank” S.A. and B.C. „Victoriabank” S.A., which currently hold 65,53% of total bank assets are under intensive supervision, with which the special supervision set on June 11, 2015 was replaced, following the amendments in legislation as of October 4, 2016.

As a result of the financial imbalances, to which the Moldovan banking system has been subject to, during 2013-2015, the banking legislation has been amended being ensured a more prudential framework of the banking activity. Thus, since 2018, the Moldovan banks comply with the new legislative framework in connection with the transition to Basel III standards by transposition of CRD IV package, which should be implemented in stages, by 2020. At the same time, the activity on ensuring the transparency of banks' shareholders in order to attract new investors that meet the high quality requirements by establishing a solid corporate governance at the level of the banking sector, by identifying people affiliated to the banks and by reflecting appropriately the non-performing loans in the bank balance sheets, is intensified.

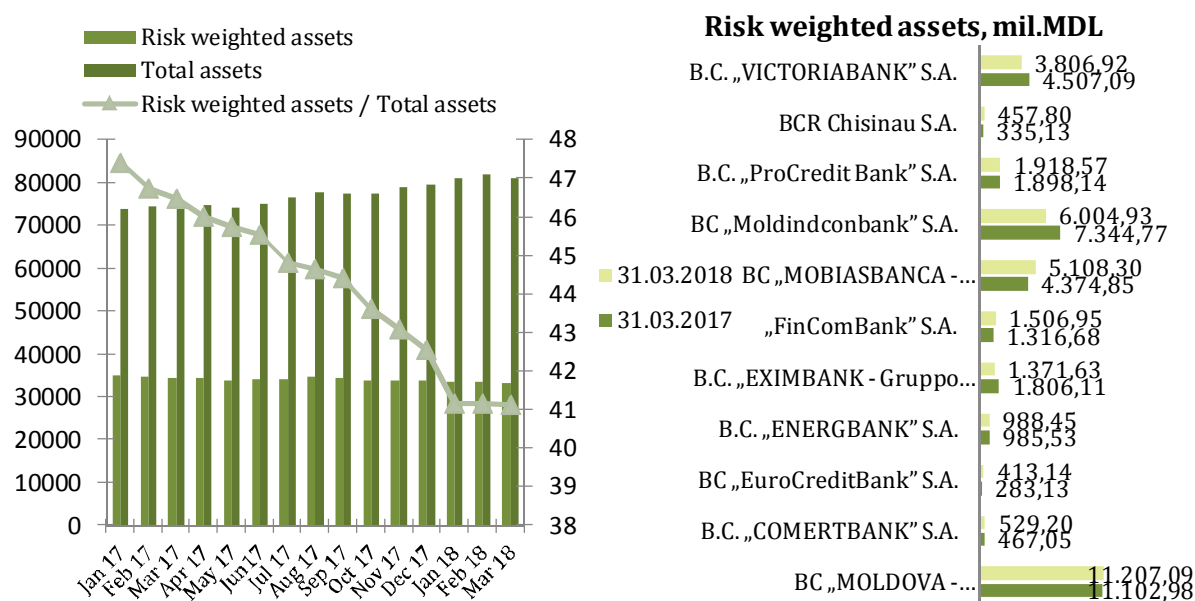
One of the outstanding problems of 2017, which the NBM could not solve either in the first quarter of 2018, is the identification of investors who could purchase the equity stake of 63,89% of BC „Moldindconbank” S.A and 43,1% of BC „MOLDOVA-AGROINDBANK” S.A, equity of a group acting together and put for sale as a single equity stake on MSE. Though, these two banks were and still are on the NBM's agenda, major amendments at the shareholder's level occurred at the third bank under intensive supervision. In January 2018, at B.C. „VICTORIABANK” S.A. there were recorded amendments in the shareholder structure. Therefore, on January 16, 2018 the tender, to which a equity stake of 39,2 percent has been sold, took place in the regulated market of the Moldova Stock Exchange. As a result, Banca Transilvania, the second largest Romanian bank, became the investor through the VB Investment Holding B.V. dutch company. Following this transaction, the VB Investment Holding B.V. dutch company, which since May 24, 2016 is a shareholder with a share of 27,56% of the bank capital in partnership with Banca Transilvania

from Romania and European Bank for Reconstruction and Development holds currently 66.77% of the bank capital, which will increase up to 72,19% as a result of the additional purchase of 5,42% of the bank's equity in the public take-over tender.

**In the first three months of 2018, the bank assets have increased both in volume and in quality.** During 2017, the growth rate of bank assets was on an upward trend, and in the first three months of 2018 the volume of assets growth was 1 435,7 mln MDL or 1,4%, amounting to 80 977,5 mln MDL at the end of March 2018. The risk-weighted assets have decreased from 33 867,1 mln. MDL by the end of 2017 to 33 157,6 mln. MDL by the end of March 2018. The decrease in the volume of risk-weighted assets was against the increase of total assets, so that the weight of risk assets in total assets declined compared with the previous year and maintained at a constant level during the first months of 2018, reaching 41,1%, being by 5,35 p.p. lower compared to the end of quarter I, 2017.

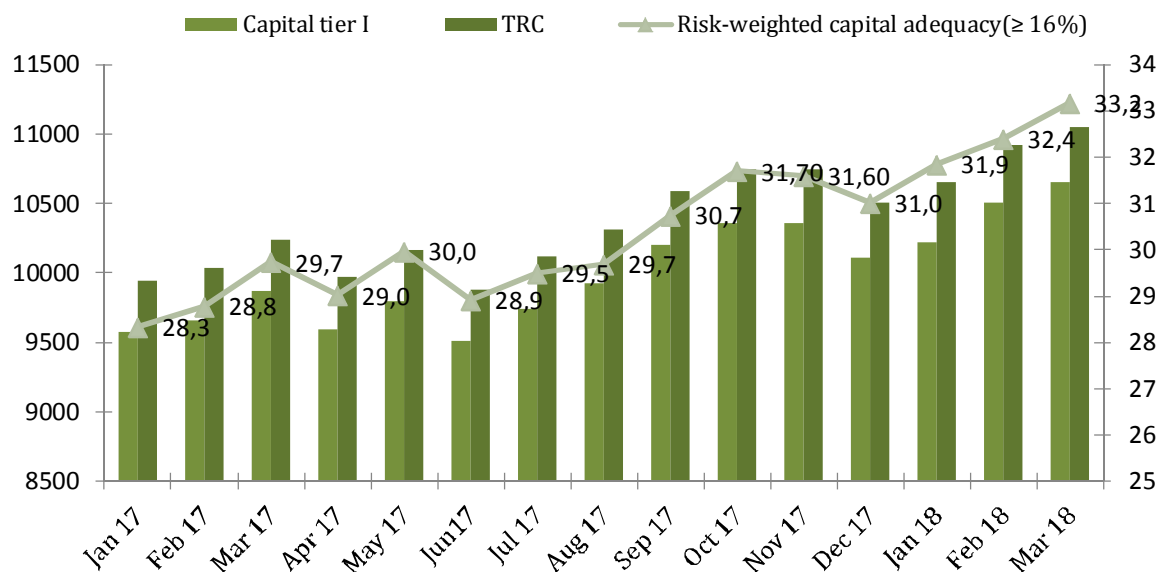
At the same time, there is seen that only 3 banks, B.C. „Victoriabank” S.A, B.C. „EXIMBANK - Gruppo Veneto Banca” S.A., and B.C. „Moldindconbank” S.A. improved their assets quality compared to the similar period of the last year, especially B.C. „Victoriabank” S.A bank, the value of its risk asset has reduced by 700,17 mln. MDL and B.C. „Moldindconbank” S.A. bank with a reduction of 1339,83, and the other 7 banks rose the value of risk-weighted assets. BC „MOBIASBANCA - Groupe Societe Generale” S.A. may be named the head in this respect with 733,45 mln. MDL. The decrease of the risk-weighted assets of the 3 banks was so considerable, that offset the increase of risk assets for the other 8 banks, so that the total volume of the risk asset has declined.

The quality of the bank assets was also supported by the volume of equity capital in such a way that the capital adequacy makes rings round the minimum imposed by the prudential requirements of 16% reaching 33,2%. The slope of the chart representing the level of capital adequacy for the first quarter of 2018 was the same as in the similar period of the previous year, but it started to rise from a higher level. The sharp decrease of this indicator recorded in January 2018 was the result of the increase in risk-weighted assets at a faster rate than the growth of Total Regulatory Capital. (Figure 3.2.2 in comparison with Figure 3.2.1)



**Figure 3.2.1. Development of quality of bank assets**

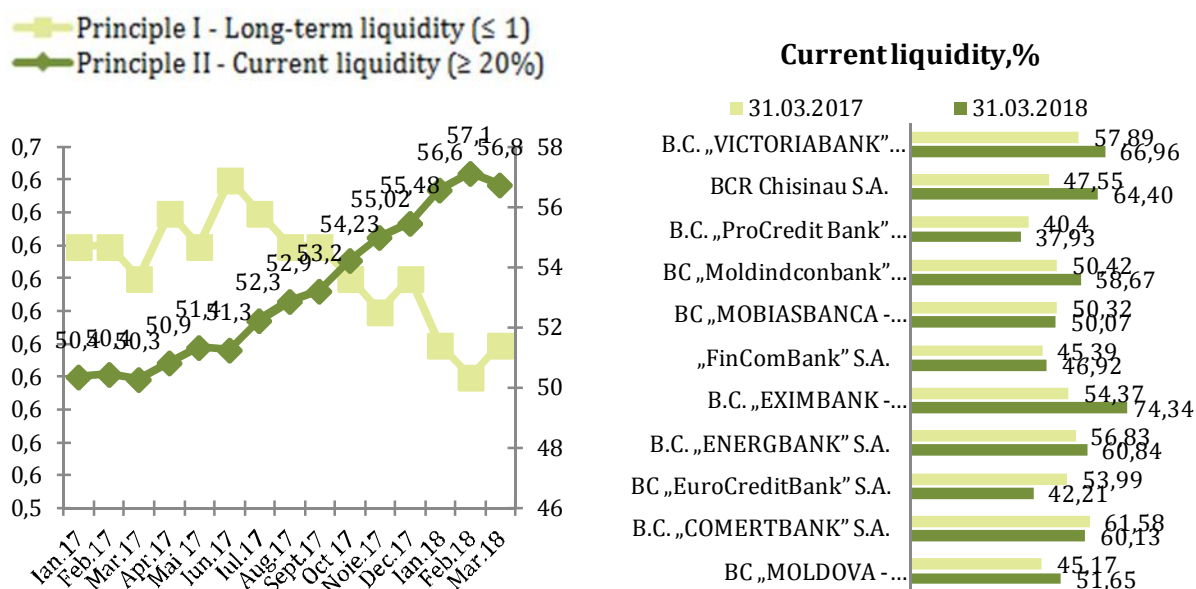
*Source:* Authors' calculations according to the data of the National Bank of Moldova.



**Figure 3.2.2. Development of quality of bank capital**

*Source:* Authors' calculations according to the data of the National Bank of Moldova.

The rise of the asset value was regrettably due more to liquidity increase than loans. On March 31, 2018 the gross loan portfolio amounted to 40,0% of total assets or 32354,4 mln. lei decreasing by 3,34 percent (1118,7 mln. Lei) during quarter I of 2018. Taking into account that the real sector lending is the main pillar which ensures a tenable growth of the country, this trend can be considered a negative one. The investment in securities (National Bank certificates and state securities) have recorded a weight of 16,7% of total assets being by 2,3% less compared to the end of 2017. The rest of assets amounting to 43,3 percent are maintained by banks in the accounts opened at the National Bank, in other banks, cash etc. forming with the state securities, the component of liquid assets which are taken into account in the calculation of liquidity principle II.



**Figure 3.2.3. Level of liquidity in the banking sector on March 31, 2018**

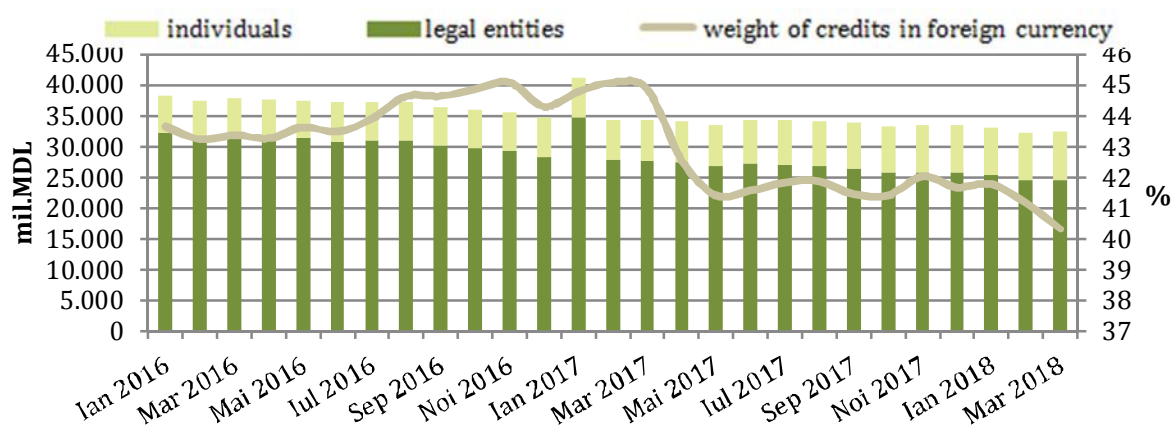
*Source:* According to the data of the National Bank of Moldova.

In the first three months of 2018, the liquidity indicators of the banking sector fall within the prudential limits set by the NBM, the weight of liquid assets in total assets (liquidity principle II) registers 56,80%, more by 6,46 p.p. against March 31, 2017 being by about 3 times more than the minimum limit set by the NBM. The value of the long-term liquidity indicator (liquidity principle I ( $\leq 1$ )) of the entire banking system amounted to 0,60, as of March 31, 2018, less by 0,01 compared to March 31, 2017. *Consequently, we state an excessive increase of bank liquidities as well as a migration of a part of loan assets to low-risk liquid assets and adequate return such as the state securities.*

Most banks register an excess liquidity, the actual liquidity indicator being permanently increasing. B.C. „Victoriabank” S.A. with 66,96%, B.C. „Eximbanc-Gruppo Veneto banca” S.A. with 74,34% and B.C. „Energbank” S.A. with 60,84% are leaders in this respect. B.C. „BCR Chisinau” S.A. increased considerably the weight of liquid assets from 42,87% by the end of the last year to 64,40% as of March 31, 2018.

**The slowdown in the volume of loans which began at the end of 2014 transformed in a constant trend during 2015 -2017, continuing also at the beginning of 2018.** The gross loan portfolio granted by the commercial banks had a negative development in quarter I of 2018. At the same time, against the decrease of the interest rate on loans, the volume of new loans lent in quarter I of 2018 increased by 5,4% compared to the same period of the last year.

There is observed the migration of loans from legal entities to individuals (75,71% in quarter I, 2018 compared to 80,79% in quarter I, 2017) and from foreign to national currency (59,7% in quarter I, 2018 as against 55,14% during the same period of the last year). Thus, against the reduction in total volume of loans, those provided to individuals increased by 1289 mln.MDL and those provided to legal entities decreased by 3123 mln.MDL during the same period of the last year. *The decreasing trend in loans provided to legal entities reflects the slowdown process of the economic activity, high level of uncertainty and continuous amendment in the pattern of national economy development from production to consumption.*

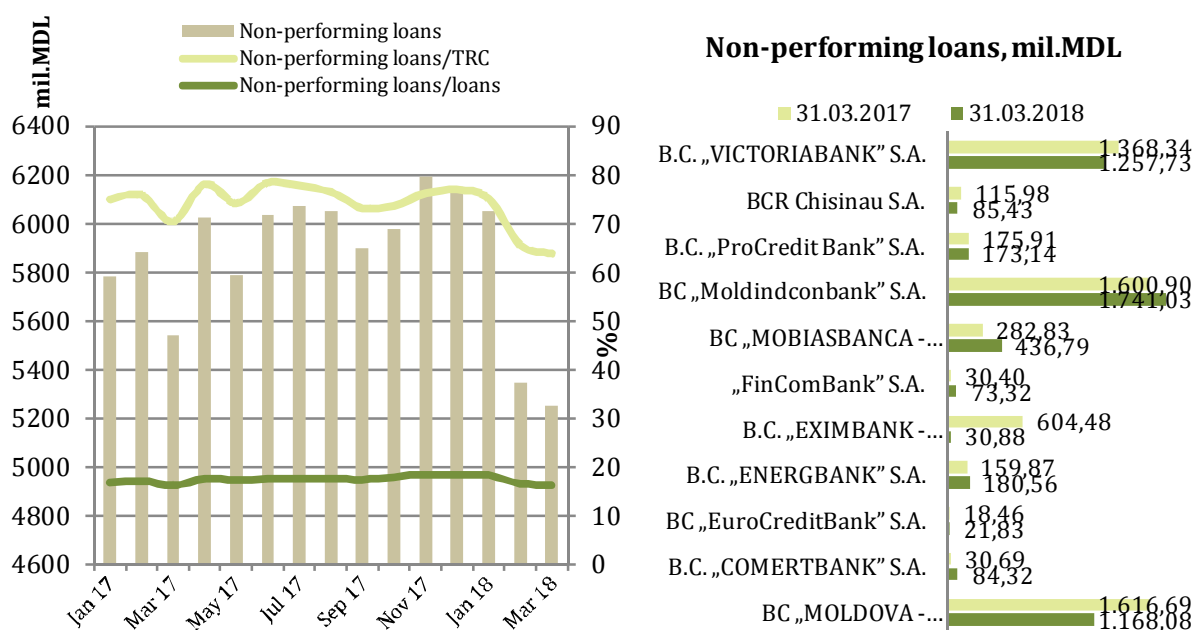


**Figure 3.2.4. Loans dynamics by currency and debt category**

**Source:** According to the data of the National Bank of Moldova.

The decrease in the pace of lending was also associated with the decline of the level of portfolio risk. Therefore, in quarter I of 2018, the value of non-performing loans amounted to 5 084,3 mln. MDL, down by -287,56 mln. MDL or 5,47% as against March 31, 2017. Unfortunately, the decrease in the volume of non-performing loans was the result of cleaning the bank balances, the majority stockholder changed at one of the banks under intensive supervision (B.C. „Eximbanc-Gruppo Veneto banca” S.A., the non-performing loans decreased by 573,6 mln. MDL) especially from the profit account of this year.

Looking at the absolute indicators, we see that the weight of non-performing loans in total loans as of March 31, 2018 has significantly decreased, by 2,1 p.p. compared to December 31, 2017, however the decrease is very low compared to the same period of the last year (0,03%), accounting for 16,20% by the end of quarter I, this year. The aforesaid indicator ranges from one bank to another, the highest value accounting for 34,95% for B.C. „Victoriabank” S.A, and the lowest one being 3,78% for „B.C. „Eximbank-Gruppo Veneto banca” S.A. The considerable decrease in this indicator for B.C. „EXIMBANK - Gruppo Veneto Banca” S.A. depends on the fact that in March 2018 its single shareholder changed, becoming part to Intesa Sanpaolo Group and the non-performing loans have been excluded from purchase. The banks under intensive supervision registered this indicator as follow: B.C.,„Moldova-Agroindbank”S.A., - 10,94% B.C „Moldindconbank”S.A. – 27,43%. B.C. „Victoriabank” S.A remains the leader in the respect of credit risk, both in absolute and in relative indicators, but the new shareholder makes considerable efforts to redress the situation.

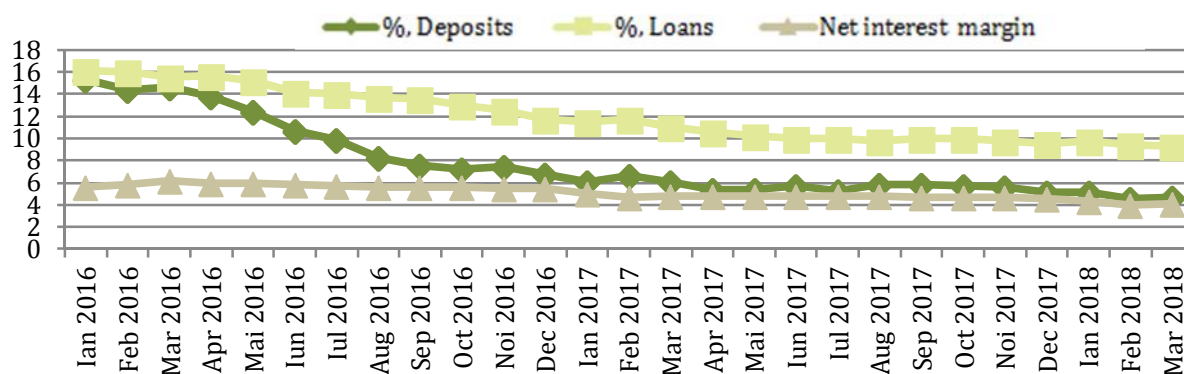


**Figure 3.2.5. Dynamics of non-performing loans in banking sector**

**Source:** According to the data of the National Bank of Moldova.

The weight of non-performing loans in total TRC reached 47,5%, down by -6,6% against March 31, 2017 and a 11,0% reduction compared to the end of 2017. Two of the three banks under intensive supervision reached the level of this indicator above average, B.C. „Moldindconbank” S.A. – 100,42% (compared to 65,37% on March 31, 2017) and B.C. „Victoriabank” S.A, -84,7% (compared to 120,27% on March 31, 2017). Thus, if B.C. „Victoriabank”S.A improved considerably its situation, then B.C. „Moldindconbank”S.A. is in a risk area, increasing highly this indicator.

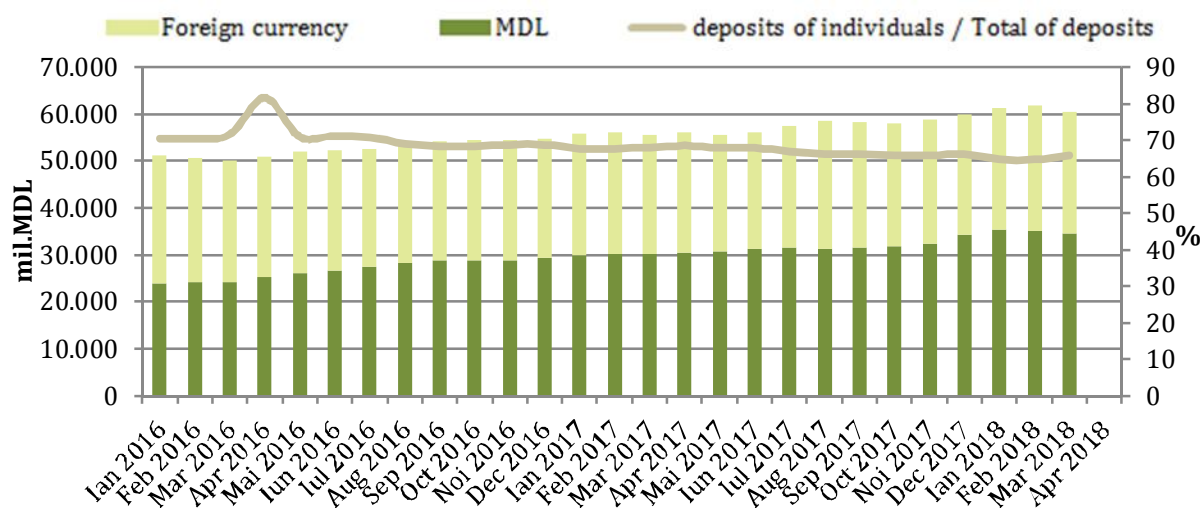
Interest rates are immune to the monetary policy decisions. This claim is supported by the trend in interest rates on new loans and deposits, which decreases continuously, reaching to be even lower than the refinancing rate, which is considered prime rate for the formation of loan interest rates). During March 2017 – March 2018, the average interest rates of the commercial banks for loans and deposits decreased by 1,68 p.p. and 1,46 p.p., respectively being at the level of 9,35% for new attracted loans and 4,66% for new attracted deposits. The sharp decline in interest rate on deposits still points a downward trend, which will discourage the population to put aside.



**Figure 3.2.6. Development of net banking margin, average interest rates on new deposits and loans in MDL, %**

*Source:* Author's calculations according to the data of the National Bank of Moldova.

On March 31, 2018, the balance of bank deposits amounted to 60 577,76 mln. MDL, up by 1,1%, during the first 3 months of the year. Against the increase in the value of deposits, the deposit rate of individuals decreases, reaching 65,87%, down by 3,71% compared to quarter I of 2017. This decline is caused by the decrement of income for household savings and low confidence of individuals in the banking system after the billion dollar theft. At the same time, the deposits of legal entities accounted for 33,8% and bank deposits – 0,3%. The balance of deposits in foreign currency has decreased by – 540,84 mln. MDL or 2,09%. The drop in the balance of deposits in foreign currency with the fast increase in the balance of deposits in MDL is the result of the significant strengthening of the national currency in the foreign exchange market from 2017 and quarter I of 2018. The highest impact on the increase of deposits has had the growth of deposits of legal entities with 389,2 MDL or 1,9%. 57,3% of total deposits belonged to deposits in lei, their balance rose by 422,3 mln.MDL or 1,2%, accounting for 34 686,96 mln. MDL on March 31, 2018. The deposits in foreign currency equated to 42,74% of total deposits, their balance grew by 258,5 mln. MDL or 1%, amounting to 25 890,8 mln. MDL during the first quarter.



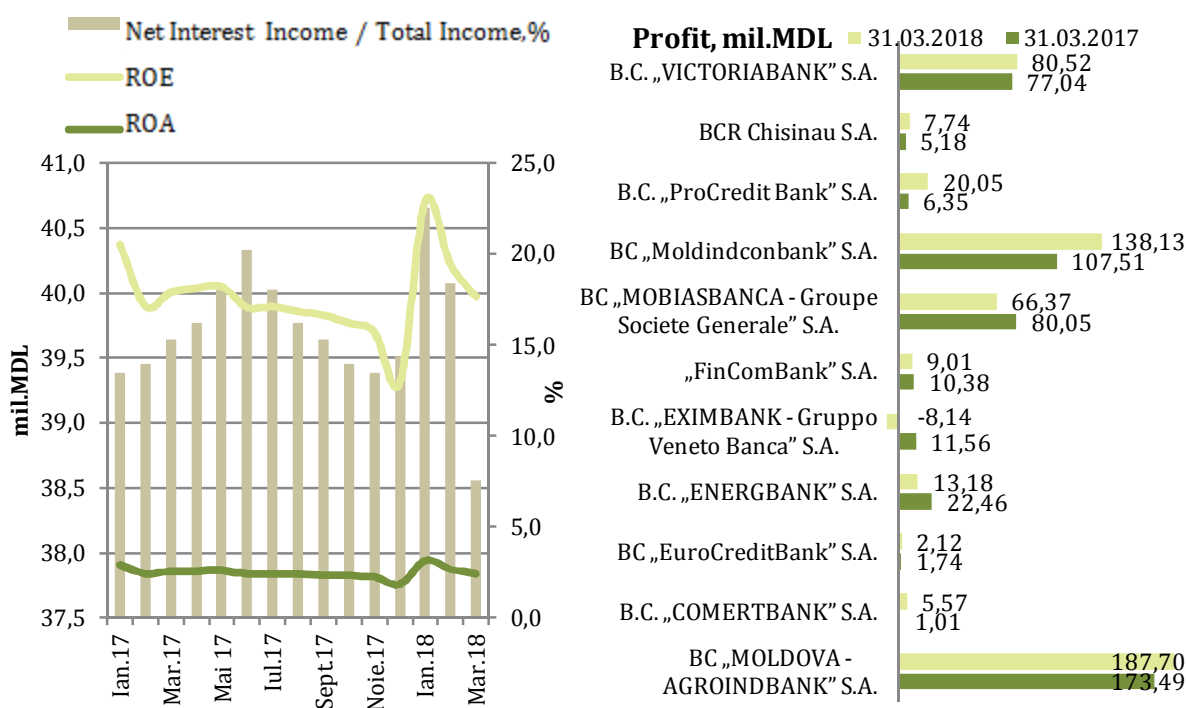
**Figure 3.2.7. Development of deposits attracted by banks in quarter I, 2018, mln. MDL**

*Source:* Authors' calculations according to the data of the National Bank of Moldova.

**Relative stability of the banking system is reflected in the financial result of the banks in quarter I of 2018.** In March 2018, the profit in the entire banking system amounted to 522,3 mln. MDL, increasing by 22,52 mln. MDL or 4,31%. This increase is determined by the rise of 26,5% in non-interest revenues and 145,1 mln. MDL and decrease of non-interest expenditures

following the decrease of interest rate on deposit by 23,7% or 123,5 mln. MDL. Significant weights in non-interest revenues are revenues from duties and commissions – 45,1%, other revenues from operation – 27,6% and revenues from exchange rate difference – 27,2% (revenues from currency trading and its revaluation). At the same time, the non-interest expenditures increased by 9,7% or 75,6 mln. MDL. The interest revenues totaled 1,1 billion MDL, declining by 170,4 mln. MDL compared to the same period of the previous year as a result of the decrease in interest rate on loans, as well as volume of loan portfolio. Therefore, the weight of interest revenues in total revenues is down by 1,08%, reaching 38,6% on March 31, 2018. *The conclusion is not favourable for the banking system, as it achieves considerable revenues from currency trading and fund transfers but not from financial intermediation activity, which confirms a very low involvement of banks in fund redistribution activity, and implicitly, in the economic growth by providing the real economy with necessary resources.*

On March 31, 2018 the return on assets and return on equity accounted for 2,4% and 15,2%, respectively, increasing by 0,6p.p. and 4,2p.p., respectively compared to the end of the last year.



**Figure 3.2.8. Development of banking return and profitability in 2017-2018**

**Source:** Authors' calculations according to the data of the National Bank of Moldova.

The analysis of each bank's contribution to the net profit formation of the banking system reveals that the majority of banks registered an increase in the value of profits, the other banks recording a negative trend. Thus, B.C. „BCR Chişinău” S.A increased its profit by 2,16 mln. MDL or 41,69%, B.C. „Moldindconbank” S.A. by 30,62 mln. MDL or 28,48%, B.C. „VICTORIABANK” S.A. by 3,48 mln. MDL or 4,51% B.C. „COMERTBANK” S.A. by 4,56 mln. MDL or 451,5% , B.C. „EuroCreditBank” by 0,38 mln. MDL or 21,83% and „ProCredit Bank” S.A, by 13,7 mln. MDL or 215,75%. For the last bank, this is a positive trend, given that in 2016 it was facing problems in achieving net profit.

Pioneers in terms of net profit as against the same period of 2017 were, BC „MOBIASBANCA - Groupe Societe Generale” S.A. with 13,68 mln. MDL or 17,08%, B.C. „Energbank” S.A. with 41,31% or 9,28 mln. MDL and B.C. „EXIMBANK - Gruppo Veneto Banca” which has a net loss of – 8,14 mln. MDL. However, we mention that the value of profit during the financial year is less informative, being adjusted with all seasonal rises and reductions by the end of the year. We hope that the banks will cover their non-profits during the year.

**Box 3.2.1. Moldovan banks ranking**

Analyzing various parameters of banking activity, we note that in similar situations the banks act differently in risk, liquidity and profitability parameters. In view of these considerations, it is interesting to use the method of ordering banks in descending order in terms of indicators, called also bank rating. To be able to do a bank classification, it is necessary to develop an aggregate indicator, which would contain information about all parameters of banking activity and to be clear enough for the public who wants to use it. In this edition, we come up with a rating compiled under an aggregate index composed of 20 indicators weighted by their importance, classified by 4 basic parameters (5 capital indicators, 8 – asset quality, 5 – profit quality, 2 – by liquidity), adjusted by bank size parameters and growth potential (parameter 22 and 21 of the model):

$$rating = \sum_{i=1}^{20} \beta_i PR_{iw} + \beta_{21} growth + \beta_{22} size$$

Based on the calculations, the following ranking, numbering both the place in the ranking and the total value of the indicator, is presented:

BC „EuroCreditBank” S.A.	1	133,50
B.C. „COMERTBANK” S.A.	2	118,85
BC „MOBIASBANCA - Groupe Societe Generale” S.A.	3	103,23
B.C. „FinComBank” S.A.	4	102,88
B.C. „ENERGBANK” S.A.	5	99,83
B.C. „EXIMBANK - Gruppo Veneto Banca” S.A.	6	99,38
BCR Chisinau S.A.	7	94,35
BC „MOLDOVA - AGROINDBANK” S.A.	8	95,34
B.C. „VICTORIABANK” S.A.	9	89,94
B.C. „ProCredit Bank” S.A.	10	85,57
BC „Moldindconbank” S.A.	11	82,18

The position of the smallest banks in the top of the ranking is not unexpected, as their capital quality (the ability to absorb the risk by the available capital) is very high, correlated with the low risk level associated to its assets. If the bank size is adjusted to the profit quality and volume – these banks are leaders again proving a low but constant increase and its asset structure guarantees stable profits. The level of saving (weight of net profit in total income) is also high, these banks being imposed to adopt a maximal saving regime due to their size and limited resources. The high level of liquidity is given by the prudence of these banks and the fact they do not need many attracted resources as they have sufficient available capital, because the immediate liquidity indicator has been calculated not from the current liquidity amount (principle II), but from the necessary liquidity amount according to the volume of liabilities outstanding within 30 days).

At the opposite pole there are the 3 banks under intensive supervision and B.C. „ProCredit Bank” S.A., the reason is the low asset quality (observed also in the general presentation of this chapter), sources of income – for example, for BC „MOLDOVA - AGROINDBANK” S.A. the reductions for losses on assets by IFRS exceeded by 383,89% the interest revenue, that is to say that the losses from non-reimbursed loans will be by 3,84 times higher than the profits from the whole portfolio of the bank. The similar indicator for BC „Moldindconbank” S.A. accounted for 598,16%, for B.C. „VICTORIABANK” S.A. – 350,65%. It is worth mentioning that only BC „EuroCreditBank” S.A. collected more from interests than passed to losses of non-reimbursed loans (55,7%).

*We mention, that this ranking is an own view on the analysis model of the Moldovan banking system, being focused on the idea that the asset quality determines the quality of the entire banking activity, because the high risk of the bank asset conditions liquidity deficit when the loans are not reimbursed at maturity, and losses, the non-reimbursed loans being deducted of the bank revenues.*

## Chapter IV EXTERNAL SECTOR

### Balance of payments

*The degree of dependence of the national economy to outside still remains high.* In quarter I of 2018, the balance of **current account** of the balance of payments has registered a deficit of 189,96 mln. USD. Compared with the similar period of the previous year, the balance of current account rose by 51,2%. The source of current account deficit was traditionally the external trade in goods, the other components recording increasing excess balances.

**Table 4.1. Dynamics of main aggregates of the balance of payments, quarter I, 2016-2018, mln. USD (preliminary data)**

Year	Q. I 2016	Q. I 2017	Q. I 2018	2018/2017 (%)
<b>Current account</b>	-91,58	-125,66	-189,96	151,2
<b>Goods</b>	-463,38	-522,46	-683,81	130,9
<b>Services</b>	44,58	57,88	75,54	130,5
<b>Primary revenues</b>	85,30	102,56	135,48	132,1
<b>Secondary revenues</b>	241,92	236,36	282,83	119,7
<b>Capital account</b>	-6,98	-7,29	-7,27	99,7
<b>Financial account</b>	-152,25	-112,16	-119,33	106,4
<b>Direct investment</b>	-35,04	-41,97	-82,31	196,1
<b>Portfolio investment</b>	-0,12	-1,12	0,38	-
<b>Other investment, net</b>	-101,35	-106,59	-80,97	76,0
<b>Reserve assets</b>	-15,54	37,72	42,74	113,3
<b>Remittances from abroad made in favour of individuals through licensed banks, net</b>	<b>224</b>	<b>251,8</b>	<b>297,5</b>	<b>18,1</b>

*Source:* According to the data of the National Bank of Moldova.

The **balance of services** has increased to 75,54 mln. USD (3,4% relative to GDP). Compared with the similar period of the last year, this increase was due to the rise of *exports of services* by 23,2%, while the *imports of services* grew by 21,1%. In *exports of services*, there were recorded significant increases for *exports of travel services* by 31,1%, *transport services* by 12,3% in connection with the increase in the volume of external trade in goods, *services of raw materials processing* by 24,7%, as well as *computer services* by 47,4%. The increase of *imports of services*, has also resulted mainly from the rise of *imports of travel services* by 16% and *transport services* by 21,9%.

**Capital account** has recorded a negative balance of 7,27 mln. USD, the same as in quarter I of 2017 determined by the net capital outflows recorded in the private sector (-11,28 mln. USD), while the external assistance inflows received by the public administration for funding the investment projects amounted to 4,01 mln. USD.

The amount of the current account and capital account show that the national economy faced the necessity of external funding in the amount of 197,23 mln.USD, as a result of current and capital transactions of Moldovan residents with non-residents.

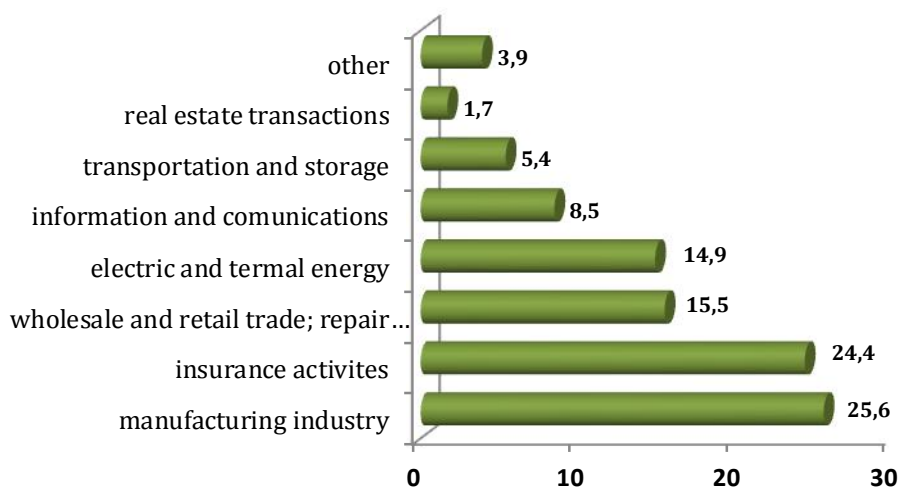
**Financial account** resulted in net capital inflows amounting to 119,33 mln. USD or 5,3% of GDP as a result of net increase of liabilities of residents against non-residents by 196,19 mln. USD following the effective transactions while the external financial assets of the residents increased by 76,86 mln.USD.

#### **International investment position**

**During the first quarter of 2018, total stock of liabilities as direct investment amounted to 3894,38 mln. USD.** The total stock of liabilities as direct investment increased by 5,2% or by 192,64 mln. US dollars (compared to the end of 2017 (3701,7 mln. USD)), as a result of net inflows of direct investment to the tune of 89,56 mln. US dollars, rise of price stocks of 7,19 mln. USD, increase of stock value of 95,47 mln. USD pursuant to the development of the exchange rate of original currencies against US dollar and other stock amendments, which amounted to 0,42 mln. USD.

The weight of stocks and shares in investment funds is akin to debt instrument one (51,8%, against 48,2%). The composition of debt instruments is mixed: 1148,81 mln. USD is the stock of loans contracted from foreign direct investors, 151,47 mln. USD are commitments in the form of commercial loans in relation to foreign direct investors and 576,41 mln. USD is the stock of other debts towards foreign direct investors. In total external liabilities, the direct investment in the form of stocks and capital shares held a weight of 21,6% (up by 0.8 p.p. compared to the end of 2017).

The main economic activity which during quarter I, 2018 benefited by FDI is manufacturing industry 25,6%, followed by financial and insurance activities 24,4%. Other activities which attracted foreign investors were trade, energy industry, information and communications, transport and storage, real estate transactions.



**Figure 4.1. Direct investment, liabilities, equity capital accumulated on March 31, 2018, by economic activities, %**

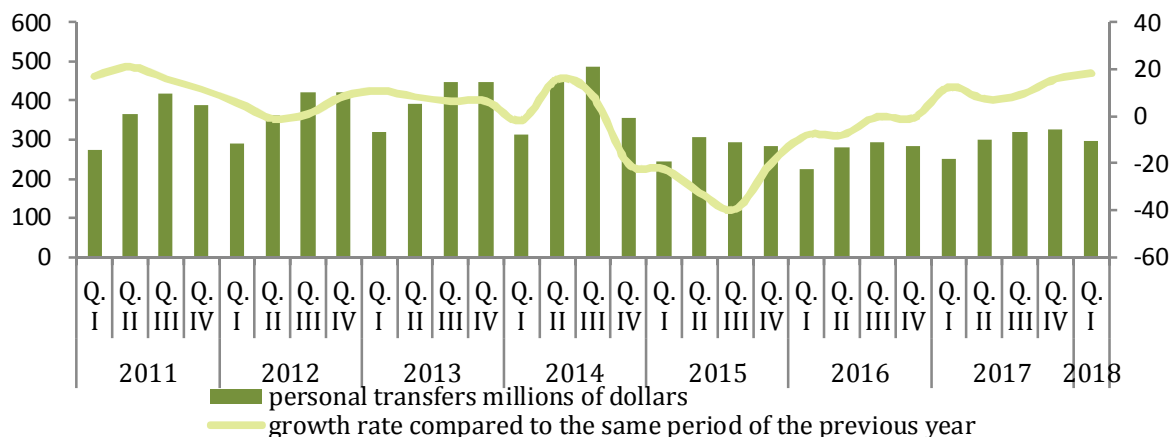
**Source:** According to the data of the National Bank of Moldova.

**In the geographical distribution** of direct investment as stocks and shares to accumulated capital, the investors from EU countries held the major weight of 82,2%, the investors from CIS countries had a weight of 9,7% and those from other countries held a weight of 8,1%.

#### **Remittances from abroad**

**In the first quarter of 2018 the total volume of remittances from abroad in favour of Moldovan individuals amounted to 297,45 million USD.** Compared to the same period of the last year, the volume of remittances from abroad increased by 18,1% (in quarter I of 2017, the

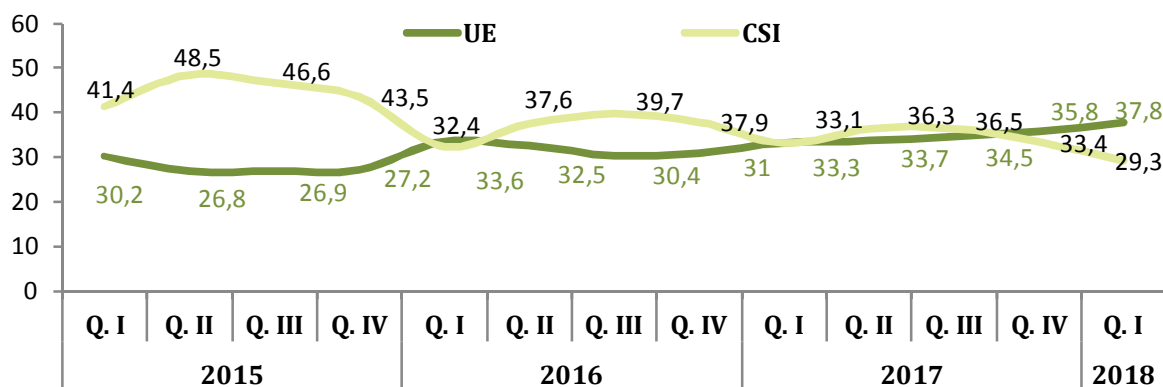
volume of remittances amounted to 251,78 million USD). The exchange rate fluctuations of the original currencies against US dollar have contributed by 7.2 p.p. to the increase of remittances from quarter I of 2018. The currency structure of remittances recalculated in USD in Q I, 2018 was as follows: USD – 136,82 mln., EUR – 141,09 mln., RUB – 16,43 mln. and other currencies 3,11 mln.



**Figure 4.2. Quarterly dynamics of remittances from abroad made in favour of individuals in 2011-2018, mln. USD**

*Source:* According to the data of the National Bank of Moldova.

*According to geographical origin*, in the last five years, the remittances from CIS had a decreasing trend and those from EU recorded an increasing trend. Compared with Q I, 2017 the remittances from CIS decreased by 3,8 p.p. and held a weight of 29,3%, the remittances from EU recorded a weight of 37,8%, up by 4,5 p.p. Thus, the remittances of other countries, excepting CIS and EU amounted to 32,9%. The weight of remittances from Israel, USA and Turkey was 87,3% of the total in other countries.



**Figure 4.3. Dynamics of quarterly remittances from CIS and EU in favour of individuals during 2015 - 2018, %**

*Source:* According to the data of the National Bank of Moldova.

Russia leads the *remittances from CIS*, holding a weight of over 96,4%. The remittances from other CIS countries have the following weights: Ukraine 1,5%, Kazakhstan 0,9%, Belarus 0,3%, Azerbaijan 0,3%, Uzbekistan 0,3% and the rest of CIS countries 0,3%.

In *remittances from EU*, the highest weight is held by Italy 33,7%, followed by Germany 15,2%, The United Kingdom of Great Britain and Northern Ireland 12,7%, France 8,6%, Spain 3,5%, Ireland 3%, Romania 3%, Poland 2,3%, Czech Republic 2,7%, Portugal 2,5%, Cyprus 2%, Belgium 1,9% and Greece 1,3%.

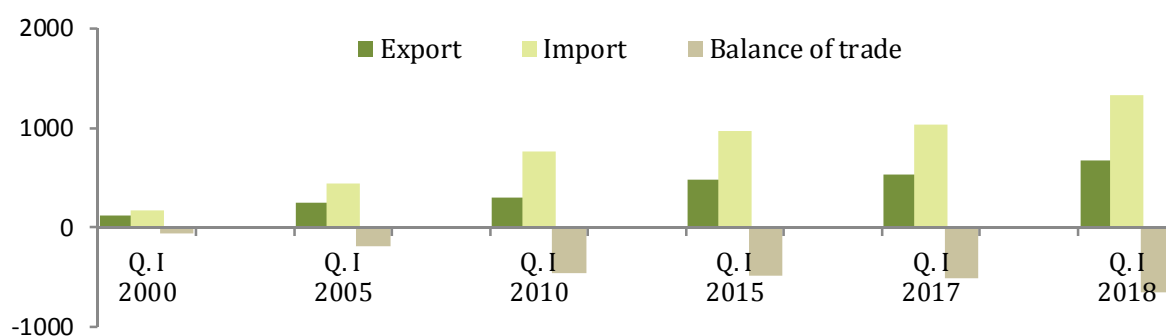
**By countries distribution** of remittances origin in favour of individuals, the Russian Federation held a weight of 28,2% of total remittances (83,87 mln. USD) (down by 3,7 p.p. compared with quarter I, 2017). As well, the remittances from Israel held a weight of 18,9% (56,22 mln. USD), Italy – 12,7% (37,89 mln. USD), USA - 8% (23,75 mln. USD), Germany 5,7% (17,09 mln. USD), the United Kingdom of Great Britain and Northern Ireland – 4,8% (14,29 mln. USD), France – 3,3% (9,70 mln. USD), Turkey – 1,9% (5,55 mln. USD), Spain – 1,3% (3,90 mln. USD), Romania 1,1% (3,33 mln. USD), Czech Republic – 1% (3,06 mln. USD), Portugal 0,9% (2,78 mln. USD), Poland 0,9% (2,64 mln. USD), Cyprus – 0,8% (2,22 mln. USD), Belgium - 0,7% (2,17 mln. USD), Canada – 0,6% (1,64 mln. USD), The United Arab Emirates – 0,5% (1,59 mln. USD), Ukraine – 0,4% (1,29 mln. USD) and Kazakhstan – 0,3% (0,78 mln. USD). The remittances in these nineteen countries (including Russia) represent 92% of total remittances of the Republic of Moldova (273,76 mln. USD).

### External trade in goods

**In quarter I of 2018, the external trade in goods increased by 28,6%, compared with the similar period of the previous year. Thus, the external trade in goods amounted to 2004,4 mln. USD (by 445,5 mln. USD more).**

In Q I of 2018, the gap between the export and import determined the accumulation of a **balance of trade deficit** worth 648 mln. USD, by 145,5 mln. USD (28,9%) higher than that recorded in the same period of 2017. The balance of trade **with EU countries** ended in a deficit of 189,2 mln. USD and **with CIS countries** – 218,9 mln. USD.

**Degree of imports coverage by exports** in Q. I, 2018 was 51,1%, compared with 51,2% during the similar period of 2017.



**Figure 4.4. Trends of external trade in goods in quarter I, 2000-2018, mln. USD**

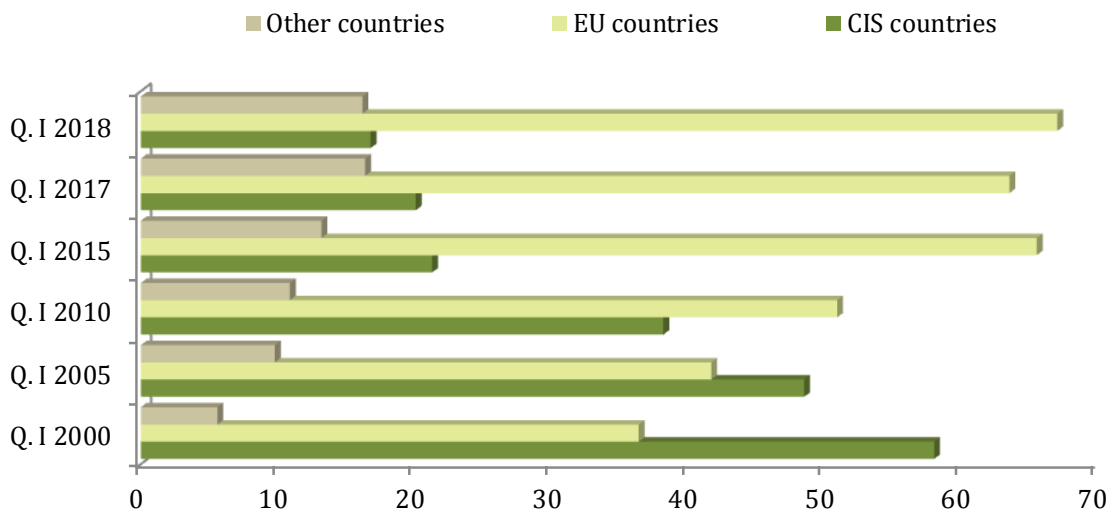
**Source:** According to the data of the National Bank of Moldova.

**The exports of goods**, in the first quarter, 2018 equated to 678,2 mln. USD, by 28,4% more in comparison to the same period of the last year. **The exports of domestic goods** amounted to 463,7 mln. USD (68,4% of total exports), up by 33,5% as against Q I, 2017, which contributed 22% to the increase in total exports.

**The re-exports of foreign goods** were up by 18,7% in relation to quarter I, 2017 and totaled 214,5 mln. USD (31,6% of total exports).

**The re-exports of goods after processing** (clothing, yarns, wires and transformers, footwear and parts of footwear, peeled walnuts, chairs and other furniture, bags, suit cases) held 23,2% in total exports and the **re-exports of classical goods**, which did not experience essential transformations (drugs, cigars, brandies, liquors and other spirits, textiles, knitted or crocheted fabrics, essential oils, toilet preparations, cosmetics, transport or packaging articles of plastics, fuels, vehicles) – 8,4%.

**Exports of goods to EU countries** held a weight of 67% in total exports (63,5% – in Q I 2017). Compared to the same period of the previous year, the exports of goods to EU countries were up by 35,5% and totaled 454,7 mln. USD. The export of goods to **CIS countries** grew by 7,3% in relation to the similar period of the last year, holding a weight of 16,8% (21,1% -in Q I, 2017), which corresponds to a value of 113,7 mln. USD.



**Figure 4.5. Trends in export of goods by groups of countries in Q I, 2000-2018, %**

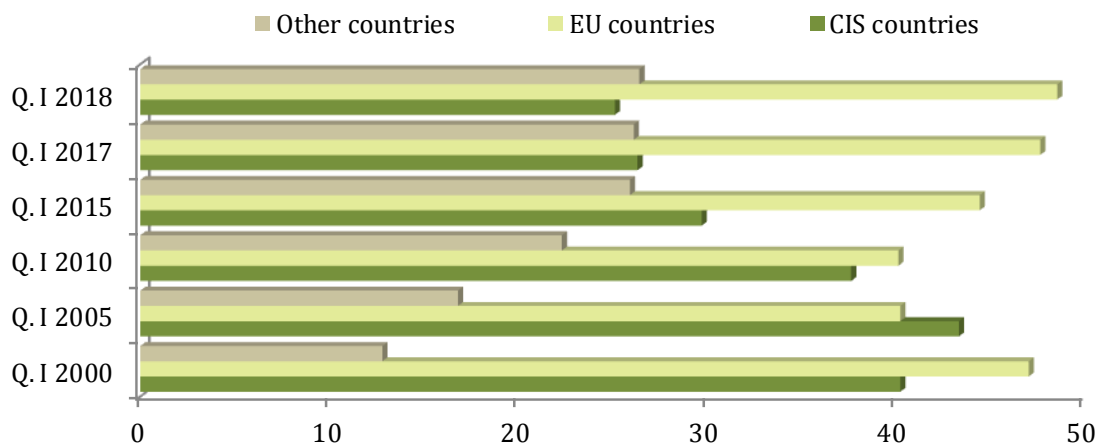
**Source:** According to the data of the National Bureau of Statistics.

In quarter I of 2018, the analysis of export development by countries, compared with the similar period of 2017, registers the **increase of exports** to Romania 29,4%, Italy by 1,7 times, Germany by 1,7 times, Switzerland by 2,6 times, Ukraine by 1,6 times, Turkey 22,8%, Poland 31,5%, Greece by 2,0 times, The United Arab Emirates by 5,9 times, Spain by 1,8 times, the Netherlands by 1,7 times, Austria 47,4%, Czech Republic 42,9%, France 25,7%, Georgia 46,5%, Slovakia by 2,1 times, USA 47%, Kazakhstan by 1,8 times, Serbia by 1,9 times, China by 1,6 times, Indonesia by 2,9 times, Saudi Arabia by 2,1 times, Belgium 26,2%, Hungary by 1,6 times and Estonia by 1,9 times, which favoured the increase in total exports by 31,7%. At the same time, there were registered decreases in the deliveries to The United Kingdom of Great Britain and Northern Ireland 18,3%, Bulgaria 17,2%, Syria 97,3%, the Russian Federation 1% and Uzbekistan 46,6%.

By product categories there were recorded growths in Q I of 2018 in comparison with Q I of 2017 in exports of machinery and electrical appliances by 1,6 times, cereals and cereal preparations 52,8%, fruits and vegetables 31,8%, clothing and accessories 26,5%, oil seeds and oleaginous fruits 28,2%, alcoholic and non-alcoholic beverages 35,8%, vegetable fats and oils by 1,9 times, furniture and its parts 35,5%, medicinal and pharmaceutical products 53,7%, non-metallic mineral products by 1,7 times, raw and processed tobacco by 1,8 times, animal feed 43,6%, specialized machinery and appliances for specific industries by 2,3 times, wood products by 1,8 times, footwear 18,9%, travel items 47,9%, paper, cardboard and cellulose items by 1,8 times, livestock 39,4%, coffee, tea and cocoa 22,1%, which contributed 31,7% to the increase in total exports. At the same time, there were recorded decreases in the exports of sugar, sugar preparations; honey 40%, road vehicles 39,7%, industrial machinery and appliances 17%, essential oils and fragrances 12,3%, prefabricated buildings; other installations 26,2%, organic chemicals 8,8%, metallic minerals and metal wastes 12,7%.

**Imports of goods** in Q I of 2018 amounted to 1326,2 mln. USD, by 28,7% more compared with Q I of 2017.

*From EU countries, there were imported goods* worthing 643,9 mln. USD, by 32,1% more against Q I, 2017. The imports of goods from EU countries held a weight of 48,5% in total imports (47,6% - in Q I, 2017). *The imports of goods from CIS countries* amounted to 332,6 mln. USD, by 22,5% more than in Q I, 2017 which equates with a weight of 25,1% in total imports.



**Figure 4.6. Trends in import of goods by countries in Q I, 2000-2018, %**

**Source:** According to the data of the National Bank of Moldova.

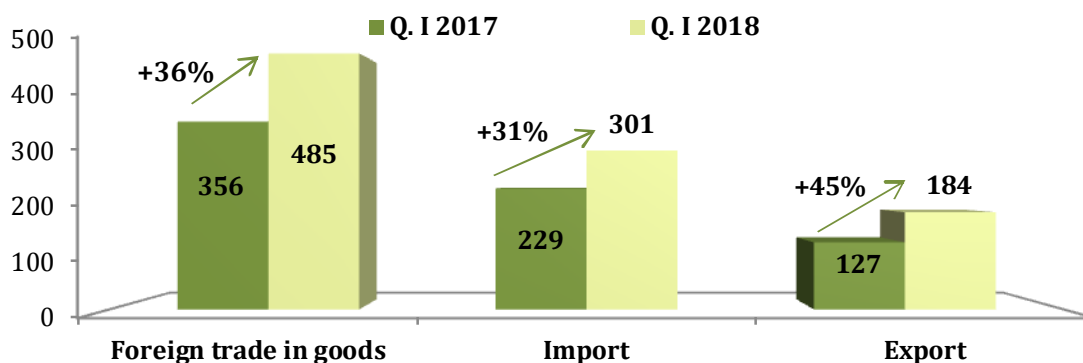
The analysis of imports development by countries in Q I, 2018, compared with the similar period of 2017 reveals the increase of imports from China 40,1%, Russian Federation 25,7%, Romania 23,7%, Germany 37,1%, Ukraine 34,4%, Italy 32%, Poland 50,8%, Turkey 19,4%, Austria by 1,7 times, Hungary 38%, France 26,6%, Japan by 2,1 times, Spain 39,4%, Czech Republic 36,5%, the Netherland 35,9%, Slovakia by 1,6 times, Vietnam 41,6%, Sweden 51,2%, Israel by 1,9 times, Serbia 51,1%, Brazil by 2,1 times, Portugal 50,4%, South Africa by 6,8 times, Belgium 14,7%, Ecuador 35,3%, Slovenia 28,4%, Latvia by 1,7 times, The United Kingdom of Great Britain and Northern Ireland 8,4% and Thailand by 1,8 times which favoured the increase in total imports by 28,5%. At the same time, there were recorded declines in the deliveries to Belarus 30,2%, USA 18,7%, Macedonia 57,9% and Switzerland 13,6%.

In Q I of 2018, compared with the same period of 2017 the imports of machinery and electrical appliances have increased by 52,3%, gas and gas products 36,3%, fruits and vegetables by 1,6 times, machinery and appliances by 1,6 times, yarns, fabrics and textile items 26,7%, road vehicles 31,1%, petroleum, fuel products 16,9%, non-ferrous metals by 2,0 times, telecommunication appliances and equipment 47,1%, metallic products 41,6%, mineral or chemical fertilizers 50,4%, electricity (by 7570,9 times, iron and steel 40,2%, processed leather and fur by 1,7 times, cereals and cereal preparations 34,4%, general industrial machinery and equipment 23,9%, oil seeds and oleaginous fruits 32,1%, medicinal and pharmaceutical products 11,9%, office machines and equipments by 1,6 times, non-metallic mineral products 29,6%, clothing and accessories 18,5%, paper, cardboard and papers items 28,6%, wood products 38,6%, processed plastics 24,2%, professional tools and equipment 32,9%, plastics in primary forms 40,1%, alcoholic and non-alcoholic beverages 41,2%, fish, shellfish, molluscs 28,8%, coffee, tea, cocoa, 28,8%), processed rubber 22%, meat and meat preparations 52%, animal feed 34,2%, power generating machines and their equipments by 1,6 times, furniture and its parts 16,7%, essential oils 6,5%, prefabricated buildings 19,9%, footwear 12,1%, tanning and coloring products 23,6%, thus facilitating the increase in total imports by 28,6%. At the same time, **the imports** of sugar, sugar preparations; honey **decreased** by 61,9%, travel items by 70,9%, raw and processed tobacco by 40,4%, coal, coke and briquettes by 51,5%.

*Region of the Republic of Moldova to the left of the Dniester River*

*External trade of Transnistrian region in Q I of 2018* amounted to 484,7 mln. USD, increasing by 36% compared with the similar period of the previous year. The main trading partners of Transnistrian region are Russia, Ukraine, the Republic of Moldova, Romania, Poland, Kazakhstan, Germany, Italy.

*Both the exports and the imports of goods* recorded rises, the exports of goods rose by 45%, and imports by 31% in the first quarter of 2018.



**Figure 4.7. Dynamics of of external trade in Transnistrian region during Q I, 2017-T. I 2018, mln. US dollars**

**Source:** According to the data: <http://mer.gospmr.org/>

In quarter I of 2018, the exports of goods rose by 45% and amounted to 184 million USD as against the same period of the last year. This increase was especially due to the sale of metals and their products, goods in food and manufacturing industry.

The import of goods has also increased significantly by 31% (301 million USD). In trade with Eurasian Customs Union countries, Transnistria imports more than exports.

*The exports of goods to Eurasian Customs Union countries (EACU) in Q I, 2018* amounted to about 21,8 mln. USD, *and imports* 145,1 mln. USD. The main partner of Transnistrian in EACU is the Russian Federation, with 86,3% of turnover among EACU countries.

*The exports of goods to EU countries* totaled 82,3 mln. USD, *and imports* 47,5 mln. USD, increasing by 24,9%, the most active trading partners from EU countries are: Romania representing about 29,1% in trade with EU countries, followed by Poland 20,7% and Germany 15,4%. It is worth noting that the trade with Poland was only 7,1% during the reporting period of 2017.

*The main trading partners of Transnistrian region* are: Russia (import – 123,2 mln. USD, export - 20,9 million USD), Ukraine (import – 69 mln. USD, export - 37 mln. USD), Moldova (import – 20,3 mln. USD, export – 37,9 mln. USD), Romania (import – 7,8 mln. USD; export – 29,7 mln. USD), Poland (import – 4,6 mln. USD; export – 22,6 mln. USD), Kazakhstan (import – 14,8 mln. USD; export – 37,2 mln. USD), Germany (import – 9,9 mln. USD; export - 9,9 mln. USD), Italy (import – 4 mln. USD, export – 10,4 mln. USD).

**Table 4.2. Weight of main partners of Transnistrian region in commodity trade, in Q I 2017-2018, %**

	The Russian Federation	The Republic of Moldova	Ukraine	Romania	Germany
<b>2017</b>	87,6	53,9	32,8	25,1	25,1
<b>2018</b>	86,3	30,8	56,3	29,1	15,4

**Source:** According to the data: <http://tiraspol.ru/news/statistika-vneshney-torgovli-pridnestrovyaya-yanvar-mart-2018-bez-uchyota-fizicheskikh-lits/>

## Chapter V BUSINESS ENVIRONMENT

### *Moldova in international rankings*

**Doing Business – 2018 in Moldova.** Moldova's position on business environment development is reflected in several rankings realized by international organisations which allow to compare the position of our country against other countries on more indicators referring directly or indirectly to the business environment. In this edition we will advert to Moldova's position in Doing Business ranking performed annually by World Bank.

Nowadays, the ranking includes about 190 countries. Doing Business covers 11 fields of business regulation. Ten of these fields – starting a business, dealing with construction permits, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts, closing a business, getting electricity – are included in „Distance to Frontier” score and Ease of Doing Business ranking. Doing Business report measures also the features of labor market regulation, which is not included in these two measures.

„Distance to Frontier” indicator (Distance to Frontier – DTF) is based on a reference scale from 0%, in the case of the lowest observed performance and reaches up to 100%, in the case of conformity to the best procedures available in the world.

Doing Business ranking compares the economies with each other (showing relative changes of the country's position in the ranking which is mainly due to the speed of achieving reforms in other countries); the DTF score compares the economies on the best regulatory practices showing the absolute distance to the best performance on each indicator of the ranking.

**Table 5.1. Dynamics of „Doing Business” indicators for the Republic of Moldova**

Indicators	Position		Change	DTF (% points)		Change in DTF (% points)
	2017	2018		2017*	2018	
<b>Position of the Republic of Moldova in „Doing business” ranking</b>	44	44	..	72.80	73.00	+0.20
1.Starting a Business	44	23	+21	91.96	93.76	+1.80
2.Dealing with Construction Permits	165	165	..	51.77	51.98	+0.21
3.Getting Electricity	73	80	-7	74.60	74.65	+0.05
4.Registering Property	21	20	+1	82.57	82.60	+0.03
5.Getting Credit	32	42	-10	70.00	70.00	..
6.Protecting Minority Investors	42	33	+9	66.67	66.67	..
7.Paying Taxes	31	32	-1	84.62	84.55	-0.07
8. Trading Across Borders	34	35	-1	92.32	92.32	..
9. Enforcing Contracts	62	62	..	60.87	60.87	..
10.Closing a Business	60	65	-5	52.61	52.56	-0.05
<b>Number of countries</b>	<b>190</b>	<b>190</b>				

**Source:** According to Doing Business Report 2018.

**Notes:** „+” indicates an improvement in situation; „-” shows a worsening”

In Doing Business ranking of World Bank – 2018, Moldova stayed on the same position as in the previous year. Thus, in Doing Business ranking 2018, Moldova is ranked 44th among 190 countries. Moldovan business environment ranks behind such countries in the region as Georgia (9), Macedonia (11), Estonia (12), Lithuania (16), Latvia (19), Poland (27), Belarus (38).

\* Data from 2017 were refigured

Moldova has registered the lowest position in the ranking in the following indicators „Dealing with Construction Permits” (165th position), which did not change the position against the previous year and „Getting Electricity” (80th position) worsening its position by 7 points. The most significant comedown was marked by „Getting Credit” indicator (by 10 positions).

In spite of all that, some indicators have recorded an improvement in the ranking. This was marked by only 3 indicators: „Starting a Business” indicator (+21 positions), „Protecting Minority Investors” indicator (+9 positions) and „Registering Property” (+1 position).

In 2018, Moldova accumulated a total score of 73.00 points for DTF indicator, which is a slight improvement of +0.20 points compared to the previous year.

*Moldova in Index of Economic Freedom ranking.* The index of economic freedom, created by The Wall Street Journal and The Heritage Foundation covers 4 political areas which have an impact on the economic freedom: rule of law; government size; regulatory efficiency; open markets.

In 2018, 180 countries were involved in the survey. The economic freedom is assessed on 12 indicators, called also 12 economic freedoms: 1) Business Freedom; 2) Trade Freedom; 3) Tax Burden; 4) Government Spending; 5) Monetary Freedom; 6) Investment Freedom; 7) Financial Freedom; 8) Property Rights; 9) Fiscal Health; 10) Labor Freedom; 11) Government Integrity; 12) Judicial Effectiveness.

As usual, The Economic Freedom ranking for 2018 is headed by Hong Kong, Singapore și New Zealand, which earned 90.2, 88.8 and 84.2 points, respectively out of a maximum of 100 points.

Top ten ranking of the world when it comes to economic freedom in 2018 is supplemented by Switzerland, Australia, Estonia, Great Britain, Canada, United Arab Emirates.

In 2018, in Index of Economic Freedom ranking, the Republic of Moldova is ranked 105th among 180 countries included in the ranking. Compared with the previous period, Moldova improved its position by 5 points.

Moldova is ranked 40th among 44 countries in Europe and its general score is inferior to the regional and world averages. According to the Index of Economic Freedom ranking 2018, the value of Moldova’s index of economic freedom is 58.4, increasing by 0.4 points against last year, being in the group of countries with „mostly unfree” economies.

For our country, the Index of economic freedom reveals the following trends:

Moldova has recorded the lowest positions on the indicators: „Judicial Effectiveness” (26.3), „Government Integrity” (26.6), „Labor Freedom” (39.9), remaining in repressed economies on these indicators.

However, the Republic of Moldova has been appreciated at the level of countries in the top of ranking on the following indicators: „Fiscal Health” (90), „Tax Burden” (85.3), „Monetary Freedom” (73.2), „Trade Freedom” (78.3), where the Moldovan economy is qualified as free or mostly free.

In economic freedom ranking, the Republic of Moldova advanced compared to the previous year on „Property Rights”, „Judicial Effectiveness”, „Government Spending”, „Business Freedom”, „Labor Freedom”, „Monetary Freedom”. On the other side, it went back on „Government Integrity”, „Tax Burden”, „Fiscal Health”, „Trade Freedom”.

Table 5.2. Moldova's position in index of economic freedom ranking

Indicators	Ranking score		Change
	2017	2018	
<b>Total, including:</b>	58.0	58.4	+0.4
<b>Rule of Law</b>			
1. Property Rights	49.6	53.5	+3.9
2. Government Integrity	28.6	26.6	-2
3. Judicial Effectiveness	23.9	26.3	+2.4
<b>Government Size</b>			
4. Government Spending	54.8	56.7	+1.9
5. Tax Burden	86.1	85.3	-0.8
6. Fiscal Health	90.6	90.0	-0.6
<b>Regulatory Efficiency</b>			
7. Business Freedom	65.9	66.0	+0.1
8. Labor Freedom	38.9	39.9	+1.0
9. Monetary Freedom	72.0	73.2	+1.2
<b>Open Markets</b>			
10. Trade Freedom	80.0	78.3	-1.7
11. Investment Freedom	55.0	55.0	0
12. Financial Freedom	50.0	50.0	0
<b>Number of countries in ranking</b>	<b>180</b>	<b>180</b>	

Source: Index of Economic Freedom ranking.

#### *Business development indicators in the region to the left of the Dniester River*

In 2017, in the region to the left of the Dniester River, 58.0% of organisations and enterprises achieved profit, being 130 organisations, down by 0.8% compared to the previous year and 41.1% recorded losses (excepting small enterprises, banks, budget and insurance organisations). Of the organizations which recorded profit in 2017, the highest weight belongs to agriculture organisations (70%), housing and utility services household (66.7%), trade and food service (64.8%), transport (60.7%). In terms of value, most enterprises recorded a net loss (excepting enterprises from industry, communication, trade and food service, other branches).

**Table 5.3. Data on net profit (loss) of organizations from the left of the Dniester River by types of activity, 2017**

	Organisations which received profit	In% of total number	Organisations with loss	In% of total number	Net profit (net loss), thousand RUB.
<b>Total</b>	130	58.0	92	41.1	660790
Including:					
Industry	35	53.0	30	45.5	289575
Agriculture	14	70.0	6	30.0	-35120
Transport	17	60.7	11	39.3	-8661
Communications	2	22.2	7	77.8	12242
Constructions	3	33.3	6	66.7	-3537
Trade and food service	35	64.8	19	35.2	471183
Housing and utility services household	10	66.7	4	26.7	-23385
Other branches	7	70.0	3	30.0	11311

Source: "Financial activity of Organizations in 2017" (except for small enterprises, banks, public and insurance organizations) Press-edition.

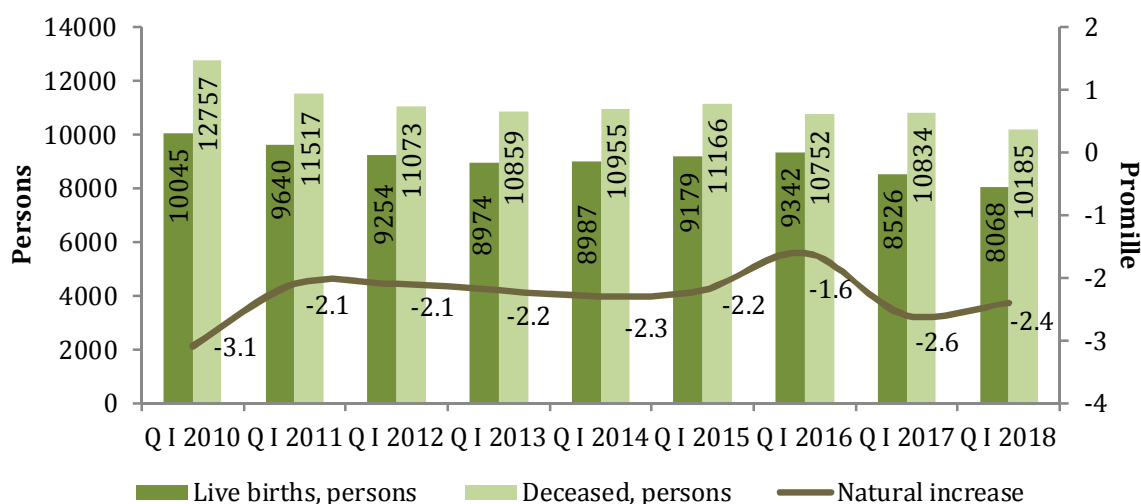
## Chapter VI SOCIAL SECTOR

### Demographic situation

*In Q I of 2018, the decreasing trend in the number of live births, deaths, marriages continues, declining also the birth, mortality, marriage rates. The number of divorces and divorce rate increased. The number of arrivals/departures within the country has reduced and the number of labor migrants rose.*

In Q I of 2018, the total number of live births in the country was 8068 pers., down by 458 children or by 5.4% less compared with quarter I of the previous year, the birth rate amounted to 9.2 live births per 1000 inhabitants, decreasing by 0.4 p.p. compared to s.p.l.y. The number of deaths amounted to 10185 pers., declining by 649 persons or by 6.0% less compared to s.p.l.y. and mortality rate reached 11.7 deaths per 1000 inhabitants, reducing by 0.5 p.p. compared to s.p.l.y. The number of deaths of children aged under 1 year in Q I of 2018 amounted to 86 cases, being at the same level as in Q I, last year. The natural decrease in Q I, 2018 accounted for -2117 persons (-2308 persons in Q I, last year) or -2.4 persons per 1000 inhabitants (-2.6 persons per 1000 inhabitants in Q I of the previous year).

The total number of *marriages* in the country in Q I of 2018 numbered 3176, decreasing by 167 or by 5.0% compared to the same period of the previous year and marriage rate equated to 3.6 marriages per 1000 inhabitants, reducing by 0.2 p.p. compared to s.p.l.y. The indicator in the case of divorces amounted to 2669, up by 171 or by 6.8% against Q I of the previous year. The divorce rate was 3.1 divorces per 1000 inhabitants, by 0.3 p.p. more compared to s.p.l.y.



**Figure 6.1. Natural movement of population in Q I, 2010-2018**

*Source :* According to the data of the National Bureau of Statistics.

With respect to internal migration determined by change of home in Q1, 2018 the total number of arrivals within the country amounted to 7119 persons, by 494 or by 6.5% less compared to s.p.l.y. The highest part of arrivals took place in urban areas (61.5%), and departures – from rural areas (57.9%).

In quarter I of 2018, 341.8 thousand persons emigrated, by 64.6 thousand persons or by 23.3% more compared to s.p.l.y. with regard to labor migration. Most of these people were men -

65.7%. In Q I, 2018 the men represented the majority – 71.3% of urban population who emigrated abroad looking for a job, and the men who emigrated from rural population held a weight of 62.7%.

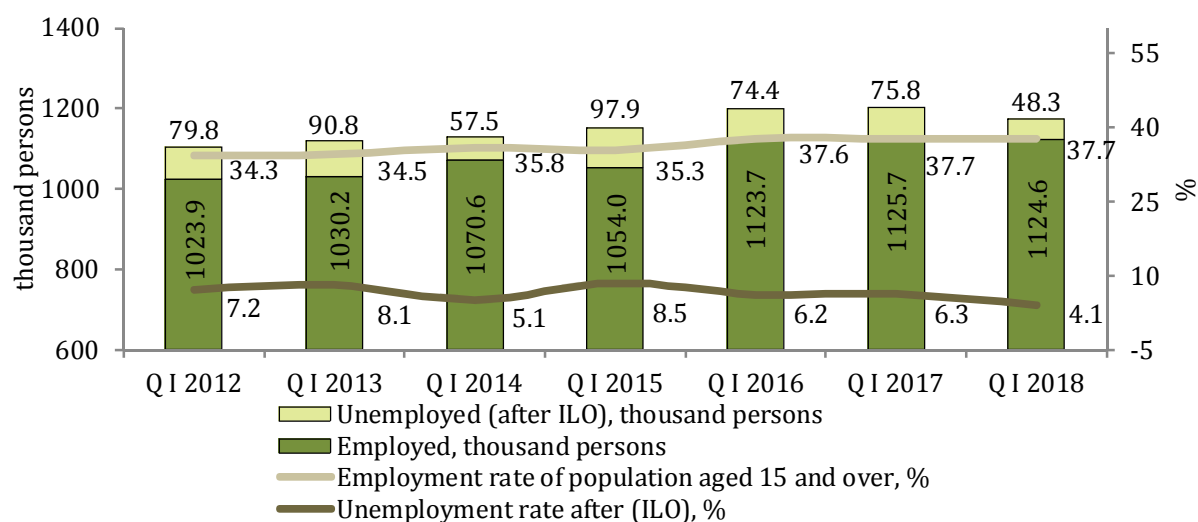
### Labor market

*Q I of 2018 is characterized by a reduction of economically active population and economic activity rate of population, taking place an increase of inactive population. At the same time, both employed population and employment rate remained practically at the level of Q I, 2017. According to ILO, the number of unemployed has strongly reduced, however unemployment rate has insignificantly decreased. In Q I of 2018, NEET group had a weight of 29.4% of population aged 15-29 years (excepting population who went abroad working or looking for a job).*

In Q I of 2018, the economically active population amounted to 1172.9 thousand pers., declining by 2.4% or 28.7 thousand persons compared with Q I of 2017. At the same time, the activity rate of population was 39.3% and decreased by 1.0 p.p. as against the level of Q I, 2017. Among the economically active population, the indicator was higher for men (41.3%) than women (37.5%). There are also discrepancies in terms of area, the activity rate being higher in urban area (42.5%) than in rural one (36.8%). In the age group of 15-29 years, the activity rate of economically active persons accounted for 28.8%, and in the group of 15-64 years – 43.7%. The economic activity rate of working age population (according to national legislation: 16-57.5 years – women and 16-62 years and 4 months – men) constituted 45.6%.

Employed population amounted to 1124.6 thousand pers., being almost at the same level of Q I, 2017. There were no major differences by gender – men – 49.3% and women – 50.7%. The weight of employed population in urban area was lower than in rural one: in urban areas – 47.3%, in rural areas – 52.7%.

Employment rate of population aged 15 and over reached 37.7%, being at the same level of Q I, 2017. The employment rate of men – 39.3% was higher compared to women (36.2%). By distribution of residence area, the employment rate in urban area was – 40.4%, exceeding slightly that in rural one – 35.6%. The employment rate of the working age population (16-57.5 years – women/62 years and 4 months – men) accounted for 43.6%, of people aged 15-64 years old – 41.9%, and in the age group of 15-29 years – 26.6%.



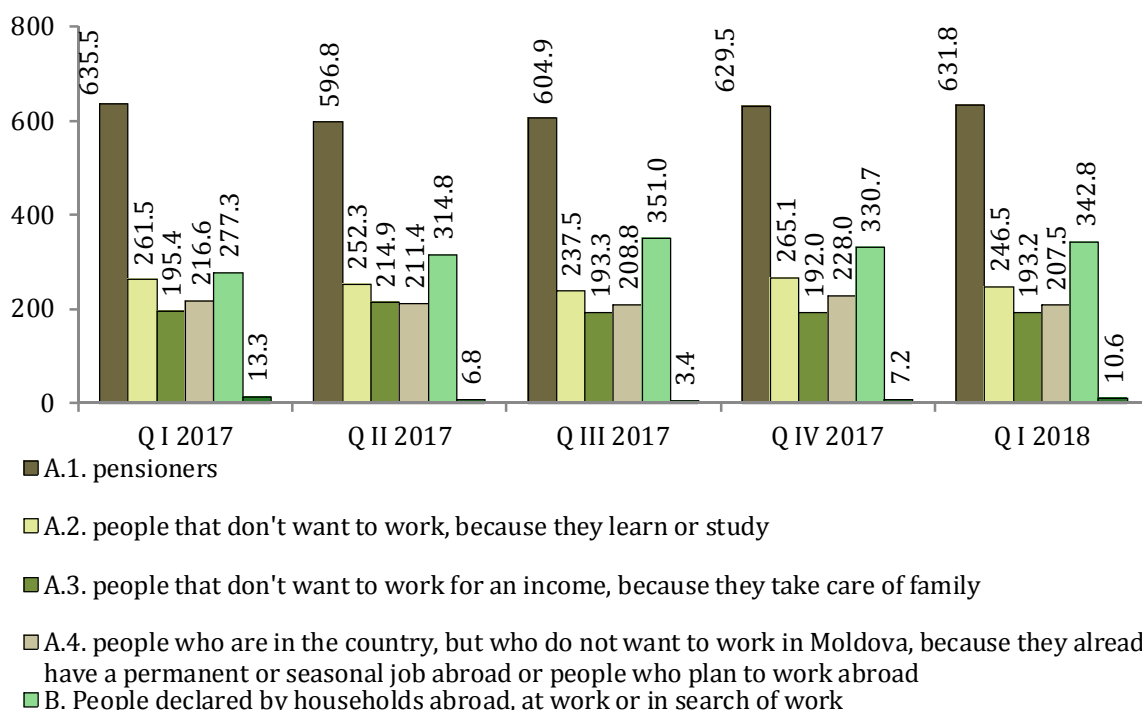
**Figure 6.2. Dynamics in the number of employed, unemployed population and employment and unemployment rates of population aged 15 and over in Q I, 2012-2018**  
**Source:** According to the data of the National Bureau of Statistics.

*Number of unemployed*, amounted to 48.3 thousand pers., by 36.3% or 27.6 thousand persons less against Q I, 2017 according to the International Labour Office. The highest decreases took place among people aged between 25 and 44 years (-22.9 thousand persons), among men (-21.8 thousand people), among people in urban area (-15.6 thousand persons). The unemployment was higher among men – 57.2% of total unemployed as well as among people in urban areas – 56.6%.

*Unemployment rate* in Q I, 2018 across the country accounted for 4.1%, decreasing by 2.2 p.p. than in Q I, 2017. The unemployment rate for men was 4.7%, and for women – 3.5%. There were recorded minor discrepancies in the unemployment rates between urban area and rural one (4.9% and 3.4% respectively). Among young people (15-24 years) the unemployment rate was 10.4%, and in the age group of 15-29 years - 7.6%.

*Inactive population* in the country (aged 15 and over) in the first quarter of 2018 amounted to 1810.1 thousand people and increased by 27.8 thousand people or by 1.6% as against the first quarter of 2017. The inactive population includes:

- *people who don't want to work* (1440.3 thousand people), of them:
  - a) *pensioners* (631.8 thousand persons);
  - b) *people who don't want to work, as they study or learn* (246.5 thousand people);
  - c) *people who don't want to work for an income, because they take care of family* (193.2 thousand persons);
  - d) *people who live in the country but don't want to work in Moldova because they have already a (permanent or seasonal) job abroad or people who plan to work abroad* (207.5 thousand persons);
- *people announced by households as working or looking for a job abroad* (342.8 thousand persons);
- *discouraged people to find a job in the country* (10.6 thousand persons).



**Figure 6.3. Dynamics of several types of economically inactive population during Q I 2017 – Q I 2018, thousands persons**

*Source:* According to the data of the National Bureau of Statistics.

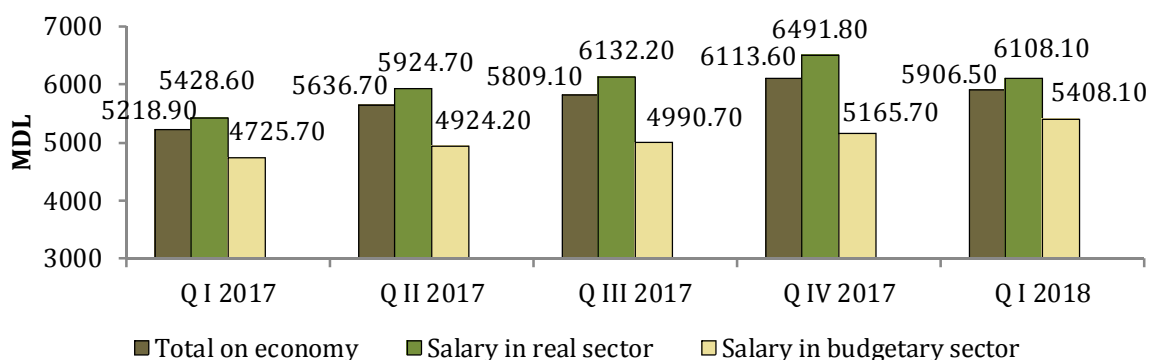
In *Figure 6.3* there is noticed a reduction in Q I, 2018 in the number of people of all categories of economically inactive population (-32.7 thousand people globally), excepting people announced by households as working or looking for a job abroad (+65.5 thousand persons) compared to Q I, 2017.

The NEET group consists of young people aged 15-29 years who are not in Education, Employment or Training. In Q I of 2018, this group held a weight of 29.4% of population aged 15-29 years (excepted the population working or looking for job abroad).

### *Remuneration of labor*

*In Q I of 2018, the gross average monthly nominal salary amounted to 5906.5 MDL, rising by 13.2% as against Q I of 2017, and in real terms – by 7.6%. The average monthly salary in public sector (5408.1 MDL) increased by 14.4% compared to s.p.l.y., in a greater degree than the average monthly salary in the real sector (6108.1 MDL), which rose by 12.5% compared to s.p.l.y. The highest-paying economic activities are: Information and communications (13089.4 MDL), Financial and insurance activities (11262.6 MDL) and Production and supply of electricity, heat energy, gas, hot water and conditioned air (9803.5 MDL).*

In Q I of 2018, the gross average monthly nominal salary amounted to 5906.5 MDL, increasing by 3.2% compared to quarter I of 2017 and in real terms (adjusted to the consumer price index) – by 7.6%. The average monthly salary in public sector accounted for 5408.1 MDL (by 14.4% more as against Q I of 2017), in real sector – 6108.1 MDL (by 12.5% more compared to Q I of 2017). According to the types of economic activities, the highest average monthly salary in Q I, 2018 has been registered in: *Information and communications* – 13089.4 MDL (by 2.2 times higher than the average salary), *Financial and insurance activities* – 11262.6 MDL (190.7% of the average salary), *Production and supply of electricity, heat energy, gas, hot water and conditioned air* – 9803.5 MDL (166.0% of the average salary). In the first quarter of 2018, the lowest salaries were found in the following economic activities: *Art, leisure and recreation activities* – 3685.1 MDL (62.4% of the average salary), *Agriculture, forestry and fishing* – 3713.3 MDL (62.9% of the average salary) and *Accommodation and food service activities* – 4075.5 MDL (69.0% of the average salary).

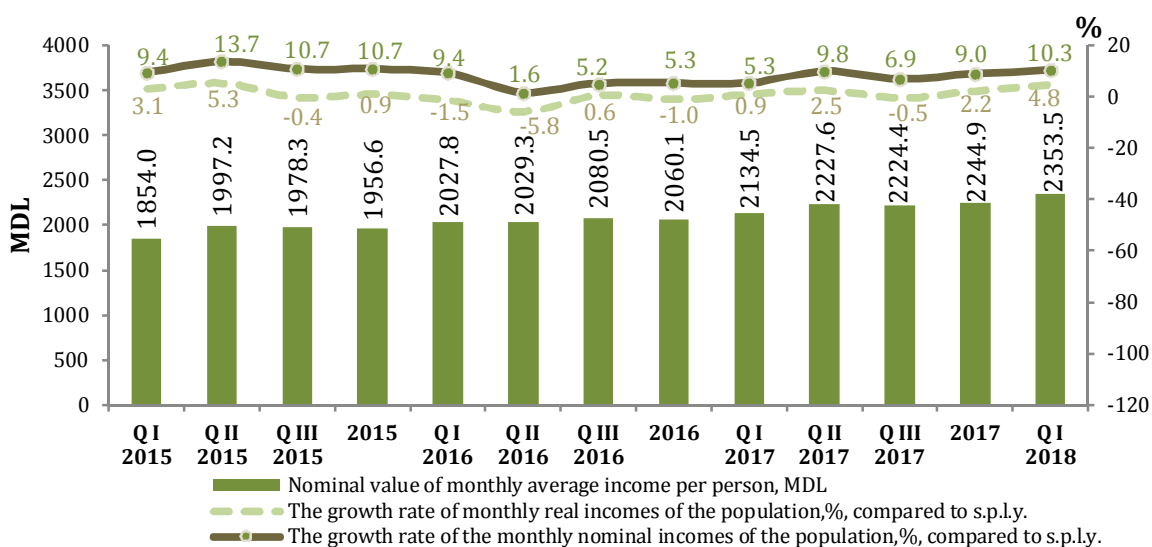


**Figure 6.4. Dynamics of nominal salary in public and real sectors during Q I 2017– Q I 2018, MDL**

*Source:* According to the data of the National Bureau of Statistics.

*In Q I of 2018, the disposable monthly revenues of population amounted to 2353.5 MDL on average per capita, up by 10.3% compared to s.p.l.y. In real terms, the revenues of population rose by 4.8% compared to s.p.l.y. The most important sources of revenues remain to be: salaries (40.8%), social benefits (23.9%) and remittances from abroad (17.5%).*

In Q I of 2018, the disposable monthly revenues of population amounted to 2353.5 MDL on average per capita, by 10.3% more than in the same period of the previous year, and in real terms (adjusted to the consumer price index) increased by 4.8%. The contribution of salaries in the revenues structure of population still remains the most important financial source. The revenues from salaries represent 40.8% of total disposable revenues, their weight being up by 0.6 p.p. compared to Q I of 2017. The social benefits are the second significant source of revenues of Moldavians, amounting to 23.9%, being almost at the same level of Q I of last year. The self-employment activities with a weight of 13.2% of the average monthly revenues per capita, of which from agricultural individual activities – 7.9%, and from non-agricultural individual activity – 5.3% have also contributed to the formation of revenues. Another important source for the household budget are the remittances from abroad. These represent 17.5% of total revenues, being at the same level of Q I, 2017. The household revenues from urban area were on average by 897.5 MDL or by 1.5 times higher than those from rural area. For the population in urban area, the main sources of revenues are the salaries which ensured the revenues of population in the ratio of 51.5% (increasing by 0.5 p.p. as against Q I of 2017) and social benefits – 22.7% (at the level of Q I, 2017). The revenues of population in rural area are generated on the basis of salaries in the ratio of 28.8%, and their contribution is by 1.8 times lower than in urban area. At the same time, the revenues from agricultural individual activity had a weight of 15.6% of total disposable revenues. The revenues of population in rural area depend to a greater extent on the social benefits and remittances from abroad in relation to revenues of population in urban area. Thus, the social benefits in villages are in the ratio of 25.3%, while in urban areas their weight was 22.7%, and remittances from abroad in villages hold a weight of 23.0%, while in cities this weight represents 12.6%.



**Figure 6.5. Dynamics of household disposable revenues, nominal value and growth rates by quarters, QI 2015 – QI 2018**

Source: According to the data of the National Bureau of Statistics.

**Box 6.1. Guaranteed minimum monthly income**

Since April 1, 2018, the guaranteed minimum monthly income will amount to 1025 MDL, compared with 961 MDL, as it was until now.

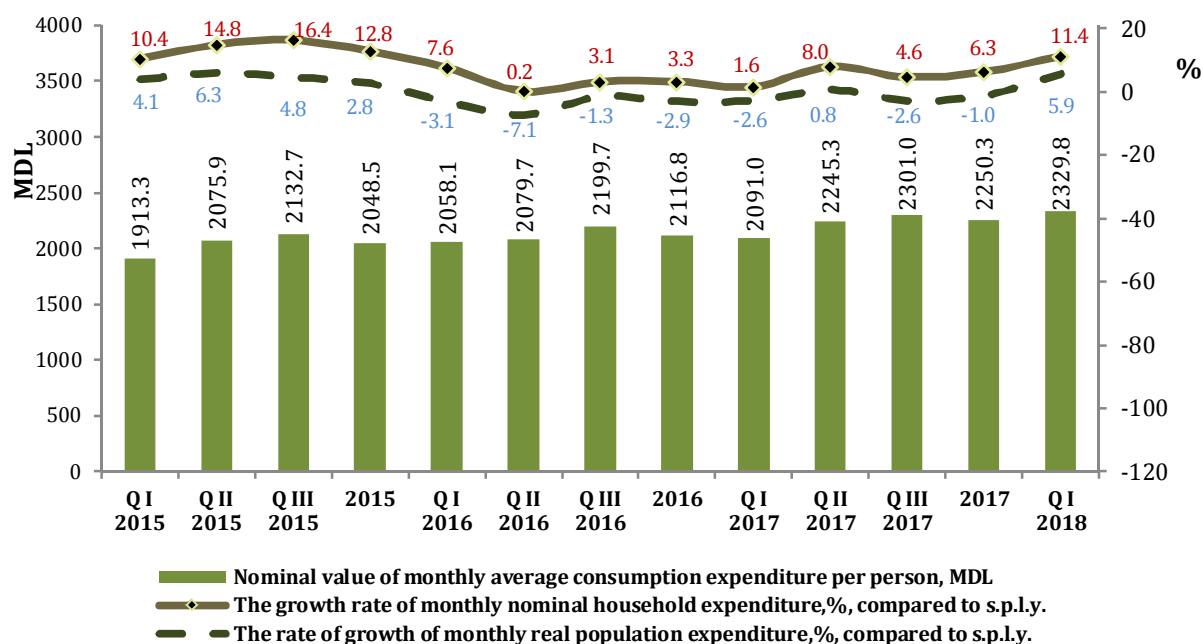
At the Government meeting, the indexing of the minimum monthly income of 6.6%, depending on the annual growth of the consumer price index for 2017, which accounted for 106.6%, has been approved.

For the implementation of the new provisions, the necessary financial resources were provided in the government budget (including service percentage) worth 548.2 mln. MDL for social benefit and 271.9 mln. MDL as an assistance for the cold period of the year.

Source: <http://msmps.gov.md/ro/content/incepand-cu-1-aprilie-2018-venitul-lunar-minim-garantat-ta-constitui-1025-lei>

*Average monthly consumption expenditures of population in Q I of 2018 amounted to 2329.8 MDL per capita, increasing by 11.4% against Q I of 2017. In real terms, adjusted to the consumer price indices, household expenditures increased on average by 5.9% compared to s.p.l.y. The highest part of expenditures continues to be directed towards: food consumption (43.9%), housing maintenance (17.9%) and clothing and footwear (10.4%).*

In Q I of 2018, the average monthly consumption expenditures of population amounted to 2329.8 MDL per capita, increasing by 11.4% compared to Q I of the last year. In real terms (adjusted to the consumer price index), the household expenditures increased on average by 5.9% compared to Q I of the previous year. In the first quarter of 2018, the food consumption represents the highest part of expenditures – 43.9% (44.1% in Q I, 2017). The housing maintenance expenditures had a weight of 17.9% of total consumption expenditures on average per capita (18.7% in Q I of 2017). The clothing and footwear expenditures accounted for 10.4% (9.7% in Q I of the previous year), health services – 6.2% (6.3% in Q I of 2017), communications – 4.6%, housing facilities – 3.4%, transport – 3.8%, education - 0.5%, etc. The monthly consumption expenditures of population in urban area equated to 2804.2 MDL on average per capita, by 839.8 MDL or by 1.4 times more as in rural area. The population in urban area directed 41.4% of monthly consumption expenditures (41.7% in Q I of 2017) towards food consumption, and in rural area – 46.6% (46.8% in Q I of 2017). At the same time, the urban population spent more for housing maintenance – 18.7% versus 17.0% in rural area, for communications – 4.7% versus 4.4%, for transport – 4.6% versus 3.0%, for hotels, cafes and restaurants – 3.0% versus 0.6%, leisure services – 2.3% versus 0.7%. The rural population spent more for housing facilities – 3.7% versus 3.1% in urban area, for clothing, footwear – 11.6% versus 9.3%, for health services – 6.3% versus 6.0%, for alcoholic beverages and tobacco – 1.8% versus 1.3%, for education – 0.6% versus 0.5%.



**Figure 6.6. Dynamics of consumer expenditures, nominal value and growth rates by quarters, Q I 2015 – Q I 2018**

*Source:* According to the data of the National Bureau of Statistics.

**Social protection of population.** According to the data of the National House of Social Insurance (until indexing), the number of pensioners registered to the social protection bodies as of April 1, 2018 amounted to 714.2 thousand pers. or by 3.3 thousand pers. more compared to April 1, 2017. On April 1, 2018 the monthly average pension amounted to 1532.95 MDL, up by 13.2% against April 1, 2017.

**Box 6.2. Pension valorization**

Since March 23, 2018 the Government Decision No. 237 of March 21, 2018 on indexing the social benefits and several state benefits has been published in the Official Journal:

- On April 1, 2018 monthly mandatory pensions will rise on average by 272.17 MDL and disability pensions will increase on average by 252.39 MDL. The sum of the minimum mandatory pension amounts to 1025 MDL, which is the equivalent of the sum of the guaranteed minimum monthly income. The sum of minimum disability pensions is:
  - in case of a severe disability – 768.75 MDL;
  - in case of an accentuated disability – 717.50 MDL;
  - in case of a medium disability – 512.50 MDL.
- On October 1, 2018 monthly mandatory pensions will increase on average by 325 MDL and disability pensions by 300.12 MDL.

In 2018, about 142 304 beneficiaries of mandatory pension and 22 405 beneficiaries of disability pension will be provided with pension valorization. The increase of pensions, as a result of valorization, will be differentiated according to the year of its establishment and income achieved by the person.

**Source:** <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=374744>

**Social development of the region to the left bank of the Dniester River<sup>4</sup>.**

**Demographic situation.** In January-March, 2018 the natural decrease of population amounted to 896 pers., up by 18.4% compared to the same period of the previous year. There were recorded 1000 live births, their number decreased by 117 pers. or by 10.5% compared to the similar period of the last year. The number of deaths reached 1896 pers., by 1.6% more than during January-March 2017.

In January-March 2018, the number of deaths caused by coronary heart diseases rose by 6.8%, while the deaths caused by poisons, lesions and murders decreased by 25.4%, digestive diseases – by 13.4%, vascular brain lesions – by 6.1%, neoplasmas – by 0.9% compared to January-March, 2017.

During January-March 2018, *infant mortality* of children under the age of 1 year amounted to 6 pers., by 45.5% less than in January-March 2017.

The structure of the main causes of infant mortality is:

- congenital abnormalities (3 cases);
- conditions from perinatal period (1 case).

**Migration decrease** of population during January-March 2018, taking into account internal and external migration reached 76 pers., reducing by 42.9% compared to the same period of the previous year. During January-March, 2018, 1656 pers. (out of the region – 783 pers.) *arrived*, representing 92.9% of total number of arrivals during the respective period of the previous year, of them children under 16 years – 376 pers., or 22.7% of total number of arrivals. 1732 pers. (out of the region – 743 pers.) *left* or 90.4% of those who left during January-March 2017 including children under 16 years – 254 pers. or 14.7% of total number of departures. Of total number of arrivals in the region – 49.6% are men (821 pers.) and the weight of men who left the region is 50.9% (881 pers.).

In January-March 2018, 1095 pers. arrived in urban areas and 1209 pers. left, which is 94.6% and 93.1%, respectively compared to the same period of 2017. 632 pers. arrived out of the

<sup>4</sup> The analysis was conducted based on the Statistical Service of Transnistria

region and 608 pers. left the region. 561 pers. arrived in rural areas and 523 pers. left, which represent 89.8% and 84.6%, respectively compared to the same period of the previous year. 151 pers. arrived out of the region and 135 pers. left the region.

The number of *marriages* registered in January-March 2018 was 414, decreasing by 7.4% in comparison with the same period of 2017. The number of *divorces* reached 400, declining by 8.3% compared to the similar period of the last year.

**Labor market.** On April 1, 2018 the number of employees in the organizations of all economic sectors (except for small enterprises, religious and non-profit organizations, security structures and customs authorities) amounted to 95.2 thousand pers., decreasing by 1925 pers. or by 2.0% compared to the same period of the previous year. Since the beginning of 2018, the number of citizens registered to the employment agencies who get a job numbered 4245 pers., of them 215 pers. – to newly created and additional jobs. The percent of substitution of redundant employees with new staff was 106.1%. During January-March 2018, 4000 persons have been layed off from institutions and organizations, representing 4.2% of the number of employees since the beginning of the year. The main reason of dismissal is worker's own motion, this category includes 3493 pers. (87.3%).

According to the Social Insurance Fund of Transnistria, by the end of March 2018, the number of citizens officially registered as unemployed amounted to 4182 pers., by 40.8% less against the end of March 2017. 2076 pers. or 49.6% of total number of registered citizens are women. In January-March 2018, through territorial bodies of the Transnistrian Social Insurance Fund, 1737 pers. were recorded as looking for a job, of them 830 pers. are women (47.8% of total number of registered citizens). In January-March 2018, 4534.3 thousand rubles<sup>5</sup> were spent for payment of unemployment benefits. 3293 pers. received unemployment benefits, their average amount totaled 424.5 rubles or 29.5% of the average subsistence minimum budget per capita.

**Remuneration of labor.** In January-March 2018, the average monthly nominal salary calculated for an employee in the region (except for small enterprises, religious and non-profit organizations, power structures and customs authorities) amounted to 4103 rubles, which is 108.8% compared to January-March 2017. The average monthly salary at public organizations amounted to 2759 rubles, increasing by 3.4% against the same period of the previous year.

During January-March 2018, the average monthly nominal salary of an employee was higher than the average salary in the region in the following economic branches: „Electrical- and radio-communication” (10216 rubles or 641 US dollars), „Banks and credits” (8194 rubles or 514 US dollars), „Insurances” (6484 rubles or 407 US dollars), „Industry” (5581 rubles or 350 US dollars), „Physical education, recreation and tourism” (4836 rubles or 303 US dollars), „Information and computer services” (4634 rubles or 291 US dollars), „Transport” (4344 rubles or 273 US dollars), „Housing and utility services household” (4337 rubles or 272 US dollars), „Trade and food service” (4161 rubles or 261 US dollars).

During January-March 2018, in almost all industry sub-branches in the region, excepting "Ferrous metallurgy", "Machine Building and Metalworking" and "Electroenergetics", the average monthly nominal salary of an employee was lower than the average in industry in the region (5581 rubles or 350 US dollars).

The highest average monthly nominal salaries for January-March 2018, were recorded in the following industry sub-branches: "Ferrous Metallurgy" (7910 rubles or 496 US dollars), which is higher than the average salary in the region by 92.8%; "Machine Building and Metalworking" (6213 rubles or 390 US dollars), by 51.4% higher than the average salary in the region; "Electroenergetics" (6069 rubles or 381 US dollars) – by 47.9% higher than the average salary;

<sup>5</sup> The official average exchange rate of the monetary authority of the region to the left bank of the Dniester River in January-March 2018 – 1 US dollar=15,9389 rubles ([https://www.cbpmr.net/data/sv\\_K\\_n\\_itog\\_03\\_05\\_18.pdf](https://www.cbpmr.net/data/sv_K_n_itog_03_05_18.pdf)).

"Food industry" (4966 rubles or 312 US dollars), by 21.0% higher than the average salary in the region; "Light industry" (4748 rubles or 298 US dollars), by 15.7% higher than the average salary in the region; "Chemical industry" (4746 rubles or 298 US dollars), by 15.7% higher than the average salary in the region; "Building materials industry" (4454 rubles or 279 US dollars), by 8.6% higher than the average salary in the region; "Flour, cereals and mixed fodder industry" (4131 rubles or 259 US dollars), by 0.7% higher than the average salary in the region. Polygraphic industry was the only branch of industry in the region with a lower average monthly nominal salary calculated for an employee than the average salary in the region (3555 rubles or 223 US dollars) – by 13.4% lower than the average salary in the region.

**Social protection of population.** During January-March 2018, the number of pensioners amounted to 117294 pers., of them 113072 pers. benefit from labour pension and 4223 pers. – from social pension. In January-March, 2018 the average amount of the pension amounted to 1340.21 rubles (labour pension – 1365.44 rubles and social pension – 664.54 rubles).

**Subsistence minimum.** In January-March 2018, the subsistence minimum amounted to 1441 rubles per capita, which is by 10.1% more than in January-March, 2017.

**Table 6.1. Subsistence minimum on average per capita in the region from the left bank of the Dniester River in January-March 2018, rubles per month**

	Total population	Including:				
		Able to work		Pensioners	Children	
		Men 16-59 years	Women 16-54 years		under 6 years	from 7 up to 15 years
January	1428	1582	1473	1202	1343	1616
February	1442	1598	1485	1214	1355	1634
March	1452	1611	1494	1224	1360	1636

**Source:** According to the data of the Transnistrian Statistical Body.

**Crimes.** In January-March 2018, according to the public order protection bodies, 2429 requests and reports on crimes have been registered, which is by 12.9% less than in January-March 2017.

During the analyzed period, 1035 crimes have been registered in the region which is by 14.5% less compared to January-March, 2017. Of total number of recorded crimes – 224 cases (21.6%) were classified as serious and 75 cases (7.2%) – extremely serious. It should be mentioned that compared to January-March 2017, the number of extremely serious crimes reduced by 5.1% and serious ones increased by 3.2%. During January-March 2018, there were registered 293 thefts, 165 drug related crimes, 74 crimes against public order, 36 crimes related to illegal trafficking in arms; 31 scams; 32 hooliganisms; 26 robberies; 15 rapes and other crimes against sexual inviolability; 23 serious health injuries; 11 murders; 19 corruption crimes; 2 murders committed by use of arms, munitions and explosives; other crimes – 300.

In January-March 2018, 969 crimes were investigated, of which 203 (20.9%) crimes were committed by persons previously convicted, 145 (15.0%) – women, 132 (13.6%) – group of persons, 84 (8.7%) – crimes committed by minors. During January-March 2018, 109 (11.2%) crimes were committed in drunkenness, drugging or in any other nature condition. As a result of these crimes, 508 pers. suffered, including 15 pers. (3.0%) died, and 10 pers (2.0%) were subjected to serious health injuries.



***STATISTICAL ANNEXES***

GDP RESOURCES																					
Period	GDP			GVA			Agriculture			Industry			Constructions			Other activities			Net taxes on products		
	mln. lei current prices	in % sply	in %	mln. lei current prices	in % sply	in %	mln. lei current prices	in % sply	in %	mln. lei current prices	in % sply	in %	mln. lei current prices	in % sply	in %	mln. lei current prices	in % sply	in %	mln. lei current prices	in % sply	in %
2013	100510,5	109,4	110,2	83719	110,2	12383	146,6	107,6	3373	105,3	55346	103,9	16791	105,1							
2014	111757,4	104,6	105,2	94228,3	105,2	14111,8	108,2	107,2	3964,8	110,6	62112,3	103,8	17529,1	101,5							
2015	121850,9	99,5	99,6	103160,8	99,6	14267,8	86,6	103,4	4359,7	100,6	69441,4	102,8	18690,1	99,2							
2016	134476,6	104,1	104,8	114531,6	104,8	16409,4	118,2	102,1	4388,4	93,3	73479,6	102,2	19945,0	100,6							
2017	150369,3	104,5	103,8	126440,9	103,8	18357,6	107,9	103,0	4928,6	104,3	81202,6	102,4	23928,3	108,6							
Quarter I 2015	24423,2	104,8	105,2	20473,7	105,2	914,7	104,4	107,9	708,6	106,2	15763,5	105,2	3949,4	103,1							
Quarter II 2015	28526,8	102,5	102,7	23958,3	102,7	2064,6	102,7	104,6	1521,4	101,1	16755,0	103,5	4568,5	101,5							
Quarter III 2015	35889,6	96,3	96,1	30723,9	96,1	6484,8	82,6	102,5	1393,5	98,2	19030,7	101,2	5165,7	97,6							
Quarter IV 2015	33011,3	96,7	96,9	28004,8	96,9	4803,7	81,7	98,1	736,2	98,9	19002,6	106,2	5006,5	95,6							
Quarter I 2016	27097,4	100,8	100,6	23018,9	100,6	1005,9	105,1	101,14	697,3	96,0	17143,0	98,8	4078,4	102,2							
Quarter II 2016	31433,8	101,8	102,4	26575,5	102,4	2078,4	104,1	100,00	1410,5	85,5	18247,4	102,5	4858,3	98,7							
Quarter III 2016	39749,3	106,3	107,1	34143,8	107,1	8202,8	124,2	101,2	1463,3	97,2	19099,6	101,3	5605,5	101,7							
Quarter IV 2016	36196,0	106,5	107,6	30793,2	107,6	5122,2	117,6	106,2	817,3	99,8	19346,8	105,5	5402,8	100,1							
Quarter I 2017	29669,65	103,1	103,7	24685,63	103,7	990,94	101,8	101,2	834,96	102,7	18174,2	103,7	4984,02	100,1							
Quarter II 2017	34251,17	102,5	101,1	28336,6	101,1	2140,64	93,1	100	1592,77	105,5	19511,2	102,1	5914,57	110							
Quarter III 2017	45523,5	105,4	104,6	38896,8	104,6	9241,1	106,0	104,9	1625,5	104,0	21929,8	102,1	6626,7	110,1							
Quarter IV 2017	40925,0	106,4	105,3	34521,9	105,3	5985,0	118,5	105,1	875,3	104,3	21587,3	101,7	6403,0	113,3							
Quarter I 2018	37608,54	103,7	103,6	32238,71	103,6	1115,93	100,0	104,6	2230,05	103,5	22424,86	103,59	5369,83	104,0							

Source: According to the data of the National Bureau of Statistics.

Period	USES OF GDP															
	GDP			Final consumption			Gross capital formation			Stock variation			Net export			
	mln. lei	in %	sply	mln. Lei	in %	sply	mln. lei	in %	sply	mln. lei	in %	sply	Current prices	mln. lei	in %	Sply
Current prices			Current prices			Current prices			Current prices			Current prices				
2013	100510	109,4	105,2	113169	105,2	103,8	23062	103,8	1721	x	x	-37442	x			
2014	111757,4	104,6	102,4	123357,5	102,4	110,1	27608,2	110,1	1447,4	x	x	-40655,8	x			
2015	121850,9	99,5	98,1	131230,0	98,1	98,8	29492,3	98,8	-1952,2	x	x	-36919,2	x			
2016	134476,6	104,1	103,0	142112,0	103,0	97,0	30021,5	97,0	172,5	x	x	-37829,5	x			
2017	150369,3	104,5	104,0	157666,1	104,0	105,3	32864,9	105,3	2129,9	x	x	-42291,7	x			
Quarter I 2015	24423,2	104,8	100,3	27244,8	100,3	107,8	5972,5	107,8	-73,9	x	x	-8720,3	x			
Quarter II 2015	28526,8	102,5	100,1	31504,5	100,1	98,5	7053,9	98,5	-865,8	x	x	-9165,7	x			
Quarter III 2015	35889,6	96,3	95,4	36492,0	95,4	95,2	8534,7	95,2	594,4	x	x	-9731,5	x			
Quarter IV 2015	33011,3	96,7	97,6	35988,8	97,6	97,1	7931,1	97,1	-1606,9	x	x	-9301,7	x			
Quarter I 2016	27097,4	100,8	101,9	29742,0	101,9	96,4	5946,8	96,4	449,7	x	x	-9040,6	x			
Quarter II 2016	31433,8	101,8	101,8	34136,9	101,8	90,6	6838,3	90,6	113,1	x	x	-9654,5	x			
Quarter III 2016	39749,3	106,3	104,1	39624,7	104,1	98,9	8667,7	98,9	889,1	x	x	-9432,2	x			
Quarter IV 2016	36196,0	106,5	103,7	38608,8	103,7	101,0	8568,7	101,0	-1279,3	x	x	-9702,1	x			
Quarter I 2017	29669,7	103,1	103,4	32357,3	103,4	103,3	6657,4	103,3	830,5	x	x	-10175,5	x			
Quarter II 2017	34251,2	102,5	103,2	37579,8	103,2	106,3	7449,2	106,3	756,6	x	x	-11534,37	x			
Quarter III 2017	45523,5	105,4	104,6	447566,8	104,6	98,9	9662,6	98,9	1866,6	x	x	-10762,5	x			
Quarter IV 2017	40924,9	106,4	104,7	42972,2	104,7	105,9	9095,8	105,9	-1323,7	x	x	-9819,4	x			
Quarter I 2018	37608,5	103,7	103,3	40745,1	103,3	104,2	7687,5	104,2	-629,9	x	x	-10194,1	x			

Source: According to the data of the National Bureau of Statistics.

CONSUMER PRICES				
	Growth rate of CPI, % (compared to the same period of previous year)	Growth rate of food prices, % (compared to the same period of previous year)	Growth rate of non-food prices, % (compared to the same period of previous year)	Growth rate of prices for services, % (compared to the same period of previous year)
2013	4,6	6,6	4,3	2,6
2014	5,1	6,5	5,5	2,5
2015	9,7	9,8	11,8	6,2
2016	6,4	7,4	6,3	4,9
2017	6,6	7,9	4,5	7,1
Q I 2016	11,0	12,2	10,0	10,5
Q II 2016	7,9	8,3	7,1	7,7
Q III 2016	4,5	6,2	5,0	2,1
Q IV 2016	2,5	3,2	3,5	0,2
Q I 2017	4,3	4,5	4,7	3,1
Q II 2017	7,1	8,4	4,9	8,2
Q III 2017	7,4	8,9	4,4	8,7
Q IV 2017	7,5	10,0	4,1	8,2
Q I 2018	5,2	8,4	2,9	3,2

Source: According to the data of the National Bureau of Statistics, NIER's calculations.

CONSUMER PRICES				
	Growth rate of CPI, % (compared to the same period of previous year)	Growth rate of food prices, % (compared to the same period of previous year)	Growth rate of non-food prices, % (compared to the same period of previous year)	Growth rate of prices for services, % (compared to the same period of previous year)
January 2016	13,4	14,6	13,3	11,3
February 2016	10,3	11,8	8,8	10,0
March 2016	9,4	10,1	7,9	10,1
April 2016	8,3	9,3	7,2	7,8
May 2016	7,9	8,1	7,3	7,7
June 2016	7,4	7,6	6,9	7,6
July 2016	7	7,9	5,9	7,4
August 2016	3,6	6,2	4,5	-0,4
September 2016	3	4,6	4,6	-0,8
October 2016	2,5	3,5	3,9	-0,5
November 2016	2,6	3,2	3,5	0,6
December 2016	2,4	2,8	3,2	0,5
January 2017	3	3,8	3,9	0,3
February 2017	4,7	4,8	5,1	3,9
March 2017	5,1	5	5,2	5,1
April 2017	6,6	7	5,5	7,5
May 2017	7,4	9,1	5	8,1
June 2017	7,3	9	4,2	8,9
July 2017	7,3	8,9	4,2	8,8
August 2017	7,3	8,4	4,9	8,6
September 2017	7,6	9,4	4,2	9,2
October 2017	7,9	10,6	4	8,7
November 2017	7,3	9,6	4,2	7,9
December 2017	7,3	9,7	4,1	7,9
January 2018	6,0	8,4	3,4	5,4
February 2018	5,0	8,1	2,8	3,0
March 2018	4,7	8,8	2,4	1,3
April 2018	3,7	6,8	2,4	0,4

Source: According to the data of the National Bureau of Statistics, NIER's calculations.

INDUSTRIAL PRODUCER PRICES						
	Growth rate of IPPI, % (compared to the same period of previous year)	Growth rate of prices in mining industry, % (compared to the same period of previous year)	Growth rate of prices in manufacturing industry, % (compared to the same period of previous year)	Growth rate of prices in energy sector, % (compared to the same period of previous year)	Growth rate of prices in constructions, % (compared to the same period of previous year)	Growth rate of prices for agricultural products, % (compared to the same period of previous year)
2013	3,2/3,3*	1,6/1,6*	3,8/3,8*	-0,4/-0,4*	8,3	-22,2
2014	5,5*	3,9*	6,5*	-1,4*	8,2	6,6
2015	6,3	4,4	6,8	2,8	8,0	22,5
2016	4,5	2,8	4,3	6,2	8,6	-3,4
2017	3,3	2,5	3,0	6,8	4,6	-1,1
Q I 2016	6,7	3,3	6,2	10,7	9,1	-0,4
Q II 2016	5,2	3,1	5,1	6,6	7,6	7,8
Q III 2016	3,5	2,7	3,5	3,6	8,7	-7,5
Q IV 2016	2,8	2,1	2,6	4,4	8,9	-4,8
Q I 2017	2,9	1,3	3,2	1,4	9,5	0,8
Q II 2017	3,6	1,9	3,1	8,7	7,3	-1,1
Q III 2017	3,9	3,9	3,2	11,5	6,3	1,2
Q IV 2017	2,9	3,0	2,6	6,1	7	-5,2
Q I 2018	1,5	3,8	1,2	5,1	7,2	-8,5

**Source:** According to the data of the National Bureau of Statistics, NIER's calculations.

\* Since January 2014 the statistical data on industrial producer prices are elaborated based on Classification of Economic Activities of Moldova (CEAM), rev.2 developed in harmony with NACE, rev.2. The IPPI for 2012-2013 years was recalculated from CEAM, rev.1 to CEAM, rev.2.

INDUSTRIAL PRODUCER PRICES				
	Growth rate of IPPI, % (compared to the same period of previous year)	Growth rate of prices in mining industry, % (compared to the same period of previous year)	Growth rate of prices in manufacturing industry, % (compared to the same period of previous year)	Growth rate of prices in energy sector, % (compared to the same period of previous year)
January 2016	8,2	4,2	8,1	9,7
February 2016	6,2	3,6	5,6	11,1
March 2016	5,6	2,2	4,9	11,4
April 2016	5,1	3,0	5,0	6,6
May 2016	5,4	3,1	5,3	6,6
June 2016	5,2	3,3	5,1	6,6
July 2016	4,9	2,5	4,7	6,7
August 2016	2,5	2,5	3,2	-2,6
September 2016	3,1	3	2,7	6,7
October 2016	3,1	1,9	2,5	9
November 2016	2,4	2,7	2,3	2,4
December 2016	2,8	1,8	2,9	1,8
January 2017	3	0,9	3,1	1,8
February 2017	2,6	0,8	2,9	1,8
March 2017	3,2	2,2	3,5	0,5
April 2017	3,5	1,3	3,2	5,8
May 2017	3,6	1,1	3,1	8,3
June 2017	3,7	3,2	2,9	12
July 2017	3,8	3,6	3,1	12
August 2017	4	4,4	3,2	12
September 2017	3,9	3,6	3,2	10,5
October 2017	3,4	2,6	3	8,2
November 2017	3,1	2,7	2,9	5,1
December 2017	2,3	3,8	2	5
January 2018	1,9	3,1	1,6	5,2
February 2018	1,7	4,3	1,4	5,2
March 2018	1,0	4,1	0,6	5
April 2018	1,0	3,2	0,6	4,8

Source: According to the data of the National Bureau of Statistics, NIER's calculations.

	EXCHANGE RATE					
	MDL/USD nominal exchange rate	MDL/EUR nominal exchange rate	Growth rate of MDL/USD nominal exchange rate, % (compared to the same period of previous year)	Growth rate of MDL/EUR nominal exchange rate, % (compared to the same period of previous year)	Growth rate of MDL/USD real exchange rate, % (compared to the same period of previous year)	Growth rate of MDL/EUR real exchange rate, % (compared to the same period of previous year)
2013	12,6	16,7	3,9	7,4	1,5	4,3
2014	14,0	18,6	11,1	11,4	6,2	6,6
2015	18,8	20,9	34,3	12,4	19,7	2,2
2016	19,9	22,1	5,3	5,7	0,7	-0,6
2017	18,5	20,8	-6,6	-5,8	-11,2	-10
Q I 2016	20,1	22,1	11,4	8,8	1,0	-2,0
Q II 2016	19,8	22,4	9,2	11,5	1,4	3,3
Q III 2016	19,8	22,1	2,1	2,3	-1,5	0,2
Q IV 2016	20,0	21,6	0,7	-0,7	-1,4	-2,6
Q I 2017	20,0	21,2	-0,6	-0,4	-2,6	-6,4
Q II 2017	18,8	20,6	-5,3	-7,9	-10,2	-12,6
Q III 2017	17,9	21,0	-9,5	-4,9	-14,2	-10,0
Q IV 2017	17,4	20,5	-13,3	-5,5	-17,6	-10,5
Q I 2018	16,7	20,6	-16,1	-3,2	-13,8	-6,5

Source: According to the data of the NBM, NBS, OECD, NIER's calculations.

PUBLIC FINANCES						
Period	NPB revenues, MDL million	Increase on NPB revenues, % (compared to the same period of previous year)	NPB expenditures, MDL million	Increase on NPB expenditures, % (compared to the same period of previous year)	Sources of financing of NPB, MDL million (balance at the end of period)	
2013	36908,5	10	38673,1	9	1764,6	
2014	42446,8	0,15	44393,1	15	1946,7	
2015	43660,7	2,86	46393,9	4,51	2733,2	
2016	45946,9	5,24	48434	4,40	3 298,5	
2017	53 379,4	16,2	54 524,1	12,5	1 144,7	
Quarter I 2014	8413,2	0,12	8483,2	12	70	
Quarter II 2014	18847	0,13	19312	13	465	
Quarter III 2014	30454	0,18	30533,6	15	260,5	
Quarter IV 2014	42446,8	0,15	44393,1	15	1946,7	
Quarter I 2015	10173,8	20,93	9830,5	15,88	343,3	
Quarter II 2015	20790,5	10,31	21463,9	11,14	673,6	
Quarter III 2015	31822,5	4,49	32687,1	7,05	864,6	
Quarter IV 2015	43660,7	2,86	46393,9	4,51	2733,2	
Quarter I 2016	9916,9	-2,5	9826,4	-0,04	-90,5	
Quarter II 2016	21031,3	1,2	21709,4	1,1	678,1	
Quarter III 2016	32470,3	1,8	33516,0	2,5	1045,7	
Quarter IV 2016	45946,9	2,4	48434	2,8	3 298,5	
Quarter I 2017	11 993,2	20,8 %	12 260,7	24,7%	678,8	
Quarter II 2017	24 909,2	18,5	25 010,7	15,2%	101,5	
Quarter III 2017	38425,5	18,3	37 263,4	11,2	-1162,1	
Quarter IV 2017	53 379,4	16,2	54 524,1	12,5	1 144,7	
Quarter I 2018	13248,8	10,8	12153,7	-0,9	-1131,1	

Source: According to the data of the Ministry of Finance.

PUBLIC FINANCES									
Period	NPB revenues, MDL million	Increase on NPB revenues, % (compared to the previous period)	NPB expenditures, MDL million	Increase on NPB expenditures, % (compared to the previous period)	Sources of financing of NPB, MDL million (balance at the end of period)	Public debt, MDL million	Internal public debt by maturity, MDL million	External debt by maturity, MDL million	
January 2016	2582,0	-1,5	2485,1	-13	-96,9	34897,1	7439,7	27457,4	
February 2016	5567,4	2,2	6042,5	-4,4	475,1	34626,1	7884,8	26741,2	
March 2016	9916,9	-2,5	9826,4	-0,04	-90,5	34794,7	8184,5	26610,2	
April 2016	13579,6	0,2	14042,1	2,2	462,5	35356,5	8406,9	26949,6	
May 2016	17018,1	1,9	17715,0	2,7	696,9	35556,3	8420,8	27135,5	
June 2016	21031,3	1,2	21709,4	1,1	678,1	35596,4	8530,4	27066,0	
July 2016	24620,9	-0,01	25780,9	0,7	1160,0	35580,1	8741,0	26839,1	
August 2016	28354,7	-1,19	29619,5	1,50	1264,8	37380,32	8615,9	28764,40	
September 2016	32470,3	2,04	33516,0	2,54	1045,7	37207,89	8526,81	28681,08	
October 2016	36297,5	2,34	37921,7	2,90	1624,7	50343,66	21784,05	28559,61	
November 2016	40172,5	2,44	42311,7	4,30	2139,2	50585,34	21695,67	28889,67	
December 2016	45946,9	5,24	48434	4,40	3 298,5	59371,9	23827,2	35544,7	
January 2017	3 328,6	29,1	3 545,3	42,8	216,7	51 076,5	21 364,8	29 711,7	
February 2017	6 878,0	23,4 %	7 690,4	27,2 %	812,4	51 853,9	21 382,2	30 471,7	
March 2017	11 993,2	20,8 %	12 260,7	24,7 %	678,8	51 649,2	21 793,4	29 855,8	
April 2017	15 851,1	16,7 %	16 310,5	16,1 %	495,4	51 537,0	21 586,4	29 950,6	
May 2017	19 963,9	17,3 %	20 382,9	15,0 %	419,0	50 416,2	21 577,5	28 838,7	
June 2017	24 909,2	18,5 %	25 010,7	15,2 %	101,5	50 657,3	21 526,6	29 130,7	
July 2017	29198,3	18,6 %	29203,2	13,3 %	4,9	50963,3	21536,8	29426,4	
August 2017	33599,1	18,5 %	33267,1	12,3	332	50963,3	21641,6	29258,1	
September 2017	38425,5	18,3 %	37263,4	11,2 %	-1162,1	51209,2	21911,9	29297,3	
October 2017	42 890,8	18,2 %	42 307,4	11,6	-583,4	50 874,4	22 153,6	28 720,8	
November 2017	47 190,4	17,5	47 069,7	11,2	- 120,7	51 206,4	22 367,1	28 839,3	
December 2017	53 379,4	16,2	54 524,1	12,5	1 144,7	51 660,3	29 081,8	22 578,5	
January 2018	3889,1	16,8	3352,5	4,5	536,6	51779,0	22621,1	29157,9	
February 2018	7764,9	12,8	7714,7	0,3	50,2	51299,2	22743,6	28555,6	
March 2018	13248,8	10,8	12153,7	-0,9	-1131,1	50950,8	22826,9	22578,5	

Source: According to the data of the Ministry of Finance.

BANKING SECTOR																
Period	Indicators				Deposits structure, %				Earnings and profitability, %		Liquidity ratio, %		Deposits interest rate, %		Loans interest rate, %	
	Bank assets (stock at the end of period), million MDL	Bank liabilities (stock at the end of period), million MDL	Loans (stock at the end of period) MDL million, volume per years	Deposits (stock at the end of period), million MDL	Deposits of individuals/total deposits	Deposits of legal entities/total deposits	Deposita in foreign currency/total deposits	Return on assets	Return on equity	Principle I	Principle II > 20 %	In national currency	In foreign currency	In national currency	In foreign currency	
2013	76183,9	64752,9	42632,7	45081,0	65,8	34,2	44,7	1,6	9,4	0,7	33,8	7,23	4,41	12,26	7,77	
2014	97584,4	85152,9	40841,9	65462,5	52,8	26,1	52,0	0,9	6,3	1,5	21,6	5,72	4,19	10,59	7,99	
2015	69095,5	57330,1	38187,6	50201,4	69,7	29,9	52,4	2,10	12,78	0,70	41,55	14,22	2,12	15,58	6,93	
2016	72 942,18	46318,71	34 761,3	54838,51	68,69	31,0	46,47	1,97	11,95	0,63	49,22	18,44	1,91	16,4	6,33	
2017	79 541,8	69 435,1	33 473,3	59 896,88	66,15	33,85	42,79	1,85	11,07	0,61	55,48	5,19	1,37	9,58	4,66	
Quarter I 2014	78744,2	66729,5	43292,3	54360,3	59,7	29,7	46,2	1,2	8,5	0,7	34,6	5,94	4,43	11,60	8,12	
Quarter II 2014	79991,1	67845,4	45113,0	55631,9	60,2	29,1	48,5	1,1	7,8	0,7	34,2	4,92	3,85	10,03	7,78	
Quarter III 2014	82113,9	69712,2	47228,4	57845,1	58,6	29,3	51,8	1,2	8,4	0,7	34,2	5,81	4,18	10,97	7,61	
Quarter IV 2014	97584,4	85152,9	40841,9	65462,5	52,8	26,1	52,0	0,9	6,3	1,5	21,6	6,47	3,98	10,95	7,72	
Quarter I 2015	98270,1	85608,5	41974,3	66764,8	52,4	25,4	56,4	1,1	9,7	1,5	25,2	11,61	2,63	13,49	7,43	
Quarter II 2015	101176,4	88267,8	42780,1	66751,6	52,8	24,8	56,0	1,1	8,9	1,5	27,0	11,34	2,26	13,91	6,83	
Quarter III 2015	104504,0	91248,3	43779,0	66808,6	68,4	30,8	55,4	2,6	16,1	0,7	38,8	13,80	2,08	15,44	6,70	
Quarter IV 2015	69095,5	57330,1	38187,6	50201,4	69,7	29,9	52,4	2,10	12,78	0,70	41,55	14,22	2,12	15,58	6,93	
Quarter I 2016	69662,1	57582,4	37851,2	50071,9	71,5	28,3	51,8	2,60	15,73	0,68	42,31	14,69	2,06	15,53	6,14	
Quarter II 2016	70578,5	58563,8	37236,2	52216,2	71,1	28,5	78,7	2,37	14,39	0,68	45,02	10,71	2,20	14,15	6,14	
Quarter III 2016	72727,7	60202,6	36336,5	54263,3	68,9	30,8	47,0	2,47	15,01	0,65	47,20	7,60	2,12	13,59	5,78	
Quarter IV 2016	72 942,18	46318,71	34 761,3	54838,51	68,69	31,0	46,47	1,97	11,95	0,63	49,22	18,44	1,91	16,4	6,33	
Quarter I 2017	70 233,77	60 956,72	38 165,62	55 616,51	67,89	32,11	45,71	2,5	15,6	0,7	42,6	6,12	1,96	11,03	5,33	
Quarter II 2017	76567,63	61853,28	34216,57	55 370,36	67,87	32,13	45,16	2,4	14,6	0,64	51,3	6,35	1,79	10,55	5,87	
Quarter III 2017	77547,5	66956,8	33841,9	58178,80	66,19	33,81	45,99	2,4	14,3	0,6	53,2	5,82	1,44	9,96	4,9	
Quarter IV 2017	79 541,8	69 435,1	33 473,3	59 896,88	66,15	33,85	42,79	1,85	11,07	0,61	55,48	5,19	1,37	9,58	4,66	
Quarter I 2018	80977,5	67118,45	32354,5	60 577,76	65,87	34,13	42,74	2,4	15,2	0,6	56,8	4,46	1,07	9,0	4,69	

	BANKING SECTOR														
	Bank assets (stock at the end of period), million MDL	Bank liabilities (stock at the end of the period), million MDL	Loans (stock at the end of period) million MDL	Deposits (stock at the end of period), million MDL	Deposits of individuals/total deposits	Deposits of legal entities/total deposits	Deposits in foreign currency, total deposits	Return on assets	Return on equity	Principle I	Principle II >20%	In national currency	In foreign currency		
January 2016	70351,8	58468,9	38165,3	51314,1	70,4	29,2	53,5	2,54	15,55	0,69	42,59	15,33	2,20	16,08	6,45
February 2016	69742,6	57667,9	37307,9	50676,4	70,3	29,3	52,1	2,65	16,05	0,67	43,25	14,44	2,05	16,01	6,35
March 2016	69662,1	57582,4	37851,2	50071,9	71,5	28,3	51,8	2,60	15,73	0,68	42,31	14,69	2,06	15,53	6,14
April 2016	69885,5	57647,5	37576,6	50940,0	71,5	28,1	50,1	2,57	15,46	0,67	43,58	13,86	2,45	15,67	6,38
May 2016	70843,1	58705,8	37383,6	51942,8	70,8	28,9	49,5	2,83	17,04	0,67	44,83	12,48	2,12	15,23	6,23
June 2016	70578,5	58563,8	37236,2	52216,2	71,1	28,5	78,7	2,37	14,39	0,68	45,02	10,71	2,20	14,15	6,14
July 2016	70925,1	58746,1	37104,7	52546,6	70,7	28,9	47,7	2,40	14,60	0,67	45,14	9,85	2,15	14,00	5,96
August 2016	72473,6	60118,1	37157,8	54047,2	69,1	30,7	47,6	2,41	14,88	0,67	46,09	8,24	2,15	13,70	5,67
September 2016	72727,7	60202,6	36336,5	54263,3	68,9	30,8	47,0	2,47	15,01	0,65	47,20	7,60	2,12	13,59	5,78
October 2016	73189,7	60523,8	35929,3	54564,4	68,4	31,4	47,1	2,41	14,66	0,65	47,61	7,24	2,14	13,05	5,71
November 2016	72873,2	60145,3	35621,7	54421,7	68,8	31,0	47,1	2,24	13,59	0,64	48,09	7,48	1,86	12,56	5,35
December 2016	72 942,2	64318,7	34 761,3	54838,5	68,7	31,0	46,5	1,97	11,95	0,63	49,22	6,79	1,91	11,74	6,33
January 2017	74012,28	64931,1	34 212,9	55 880,71	67,64	32,36	46,09	2,92	17,61	0,62	50,36	6,08	1,94	11,55	5,26
February 2017	74589,06	64180,6	34 188,2	56 157,82	67,72	32,28	45,70	2,44	14,69	0,62	50,44	6,68	1,97	11,74	5,37
March 2017	70 233,77	60 956,72	38 165,62	55 616,51	67,89	32,11	45,71	2,5	15,6	0,7	42,6	6,12	1,96	11,03	5,33
April 2017	74 699,2	60835,87	33 529,6	56 793,97	68,49	31,51	45,11	2,6	15,5	0,63	50,9	5,35	1,87	10,6	5,14
May 2017	74 114,0	61,590,51	34 216,6	55 433,14	67,88	32,13	44,74	2,6	15,6	0,62	51,4	5,33	1,66	10,726	5,10
June 2017	76567,63	61853,28	34216,57	55 370,36	67,87	32,13	45,16	2,4	14,6	0,64	51,3	5,67	1,70	10,03	5,07
July 2017	76567,6	66444,6	34189,6	57599,85	66,94	33,06	45,09	2,5	14,7	0,63	52,3	5,24	1,62	10	4,95
August 2017	77712,9	67402,4	34128,6	58485,53	66,31	33,69	46,46	2,4	14,4	0,62	52,9	5,78	1,52	9,76	4,89
September 2017	77547,5	66956,9	33841,9	58178,80	66,19	33,81	45,99	2,4	14,3	0,6	53,2	5,82	1,44	9,96	4,90
October 2017	77 686,2	67 329,8	33 226,0	57 599,85	65,96	34,04	45,10	2,32	13,88	0,61	54,23	5,72	1,32	10	4,85
November 2017	78 893,7	68 538,8	33 406,0	58 485,53	65,89	34,11	44,85	2,25	13,47	0,60	55,02	5,57	1,29	9,8	4,91
December 2017	79 541,8	69 435,1	33 473,3	59 896,88	66,15	33,85	42,79	1,85	11,07	0,61	55,48	5,19	1,37	9,58	4,66
January 2018	81236,5	67 696,69	33034,4	61399,34	64,75	35,25	42,31	3,2	19,8	0,6	56,6	5,17	1,21	9,47	4,94
February 2018	81878,1	68 141,48	31143,3	67787,89	64,69	35,31	43,25	2,7	16,8	0,6	57,1	4,54	1,08	9,35	4,85
March 2018	80977,5	67118,45	32354,5	60 577,76	65,87	34,13	42,74	2,4	15,2	0,6	56,8	4,66	1,07	9,0	4,69

EXTERNAL SECTOR: INVESTMENT AND REMITTANCES						
Period	Share capital	Reinvested revenue	Other capital	Worker's compensation	Personal remittances	
2012	144,6	-11,0	61,5	1010,0	976,5	
2013	160,3	19,2	63,2	1118,1	1073,6	
2014	165,5	33,1	1,9	1068,2	1015,4	
2015	73,9	159,6	-	799,5	753,9	
2016	66,2	96,18	25,1	713,5	750,4	
2017						
Quarter I 2012	39,1	3,6	-3,9	194,9	196,6	
Quarter II 2012	56,5	-4,1	-2,0	255,9	236,0	
Quarter III 2012	-4,2	1,7	46,3	281,2	265,3	
Quarter IV 2012	53,1	-12,2	21,0	278,0	278,6	
Quarter I 2013	49,1	14,5	1,9	214,5	221,4	
Quarter II 2013	22,7	20,4	25,3	284,1	254,6	
Quarter III 2013	34,9	9,0	13,5	311,7	295,2	
Quarter IV 2013	53,6	-24,7	22,6	307,8	302,4	
Quarter I 2014	37,2	13,9	-21,4	214,7	215,7	
Quarter II 2014	71,4	8,0	-19,4	295,9	271,6	
Quarter III 2014	15,7	39,6	17,8	309,3	298,8	
Quarter IV 2014	41,2	-28,5	24,9	248,4	229,4	
Quarter I 2015	20,5	41,9	13,1	174,7	168,1	
Quarter II 2015	17,4	82,2	4,6	211,2	200,6	
Quarter III 2015	13,9	15,0	-18,0	207,3	192,0	
Quarter IV 2015	18,5	20,5	-	191,7	191,3	
Quarter I 2016	16,4	24,66	16,0	148,4	166,13	
Quarter II 2016	9,6	15,6	2,6	186,2	194,5	
Quarter III 2016	16,25	57,9	10,37	185,78	190,9	
Quarter IV 2016	33,33	-7,23	25,06	200,06	198,9	
Quarter I 2017	6,74	33,05	28,47	176,35	176,4	
Quarter II 2017	4,24	16,36	30,24	214,61	199,6	
Quarter III 2017	14,6	43,58	37,81	225,67	213,4	

Source: According to the data of the Balance of Payments, National Bank of Moldova.

Source	EXTERNAL SECTOR: FOREIGN TRADE								
	Total foreign trade, mln. USD		Export		Import				
	Goods	Services	Goods	Services	Goods	Services			
2000	1613,2	1247,1	366,2	641,4	476,8	164,6	971,9	770,3	201,6
2001	1824,0	1444,3	379,7	735,5	564,6	170,9	1088,5	879,7	208,8
2002	2170,8	1697,2	473,6	876,4	659,7	216,7	1294,5	1037,5	257,0
2003	2777,4	2233,2	544,2	1055,0	805,1	249,9	1722,4	1428,1	294,3
2004	3427,4	2742,3	685,1	1326,2	994,1	332,1	2101,3	1748,2	353,1
2005	4219,3	3400,7	818,6	1503,5	1104,6	398,9	2715,8	2296,1	419,7
2006	4659,1	3704,3	954,7	1527,9	1060,8	467,1	3131,2	2643,5	487,6
2007	6323,3	5044,8	1278,5	2001,8	1373,3	628,4	4321,5	3671,4	650,1
2008	8198,8	6517,8	1681,0	2489,8	1645,9	843,9	5709,0	4871,9	837,1
2009	5988,6	4602,7	1386,0	2000,0	1326,9	673,1	3988,6	3275,7	712,9
2010	6784,5	5400,3	1384,2	2270,8	1590,4	680,4	4513,7	3809,9	703,8
2011	9115,4	7424,9	1690,5	3138,7	2277,8	860,9	5976,7	5147,1	829,5
2012	9176,2	7381,3	1794,9	3130,6	2228,5	902,0	6045,6	5152,7	892,9
2013	9874,7	7914,8	1959,9	3453,9	2466,2	987,8	6420,8	5448,6	972,2
2014	8798,0	6663,2	2134,8	2933,1	1805,5	1127,6	5864,9	4857,7	1007,2
2015	6907,8	5102,1	1805,7	2481,8	1507,0	974,8	4426,0	3595,1	830,9
2016	7033,6	5151,3	1882,3	2594,5	1547,4	1047,1	4439,1	3603,9	835,2
2017	8474,5	6284,4	2190,1	3110,4	1857,7	1252,7	5364,1	4426,7	937,4

Source: According to the data of the Balance of Payments, National Bank of Moldova.



EXTERNAL SECTOR: FOREIGN TRADE IN GOODS

Period	Total growth in value of merchandise trade sply, %				Growth rate of exports sply, %				Growth rate of imports sply, %				Growth rate of net export sply, %	Degree of imports coverage by exports sply, %
	Total	CIS	EU	Other countries	Total	CIS	EU	Other countries	Total	CIS	EU	Other countries		
2010	18,3	15,2	16,5	28,8	20,1	27,2	9,2	50,5	17,6	10,1	19,9	25,0	16,0	102,2
2011	37,3	40,0	37,2	32,6	43,8	47,3	48,6	13,7	34,7	36,3	32,4	36,6	28,6	106,8
2012	-0,5	-3,1	-0,2	3,8	-2,5	1,0	-6,4	2,7	0,4	-5,2	2,8	4,0	2,6	97,1
2013	7,4	1,7	8,3	15,1	12,3	-0,5	12,2	67,0	5,4	3,0	6,6	6,1	0,4	106,6
2014	-3,3	-15,8	5,7	-3,4	-3,7	-20,3	9,6	-2,7	-3,2	-13,3	3,9	-3,6	-2,8	99,5
2015	-22,2	-30,9	-16,8	-23,3	-15,9	-33,1	-2,3	-28,2	-2,5	-29,8	-23,9	-2,2	-32,2	112
2016	1,9	-4,6	4,2	3,6	3,9	-15,9	9,4	16,2	0,8	0,9	1,0	0,5	-2,3	103
2017														
Quarter I 2012	8,7	11,6	5,3	10,9	6,5	14,3	5,6	-12,9	9,7	10,4	5,1	16,7	12,0	97,2
Quarter II 2012	-0,3	-1,2	-1,5	4,4	2,9	6,8	0,3	-0,2	-1,5	-5,9	-2,2	5,3	-4,6	104,5
Quarter III 2012	-4,8	-6,4	-7,3	4,5	-7,8	0,5	-22,8	54,5	-3,5	-10,4	0,0	-1,0	-0,5	95,6
Quarter IV 2012	-3,5	-12,3	3,5	-2,2	-8,7	-10,9	-6,6	-8,8	-1,2	-13,0	8,7	-1,0	4,9	92,4
Quarter I 2013	7,2	2,8	7,4	15,6	16,9	22,5	3,2	62,0	3,2	-6,0	9,7	7,2	-6,7	113,2
Quarter II 2013	5,8	3,5	3,4	15,1	1,8	-8,3	-1,8	61,5	7,5	11,3	5,6	7,1	11,8	94,7
Quarter III 2013	11,3	3,6	13,5	19,4	19,4	-1,9	29,4	72,9	8,1	7,1	7,7	10,1	0,7	110,4
Quarter IV 2013	5,6	-2,3	9,1	10,9	12,0	-10,2	19,8	70,6	2,9	2,3	4,4	0,8	-3,5	108,8
Quarter I 2014	-2,2	-16,1	12,2	-7,1	-2,8	-26,6	22,5	-11,8	-2,0	-10,0	6,9	-5,8	-1,2	99,1
Quarter II 2014	1,6	-11,6	12,9	-3,5	9,6	-1,8	20,2	6,4	-1,7	-16,9	10,0	-6,1	-9,3	111,5
Quarter III 2014	-4,9	-17,7	5,2	-7,3	-6,5	-21,4	3,0	2,4	-4,2	-15,5	6,1	-9,9	-2,3	97,5
Quarter IV 2014	-7,1	-17,5	-4,8	3,6	-12,4	-29,1	-2,5	-7,9	-4,7	-11,6	-6,0	6,8	1,7	91,9
Quarter I 2015	-18,3	-30,3	-13,2	-11,5	-14,8	-42,5	0,3	-12,6	-19,9	-24,5	-21,1	-11,2	-24,3	106,4
Quarter II 2015	-21,5	-32,2	-16,1	-32,9	-15,8	-32,8	1,4	-34,1	-24,1	-31,9	-23,8	-16,9	-30,9	110,9
Quarter III 2015	-24,0	-30,6	-19,0	-27,0	-19,4	-32,1	-3,8	-41,5	-25,9	-29,8	-25,5	-22,6	-30,8	108,6
Quarter IV 2015	-24,8	-21,5	-19,6	-31,1	-13,8	-24,4	-6,4	-21	-29,4	-32,9	-24,8	-33,5	-41,5	122,4
Quarter I 2016	-10,8	-14,9	-8,1	-12,2	-14,6	-18,3	-16,9	2,9	-8,9	-13,7	-1,6	-16,1	-3,3	93,8
Quarter II 2016	-1,2	-8,4	-0,4	2,3	-3,2	-25,4	0,6	2,7	-0,2	2,2	-1	-0,5	2,9	97,9
Quarter III 2016	8,4	2,5	10,4	10,6	15,8	-9,5	24,9	28,7	5,0	8,9	2,9	6,4	-4,3	110,0
Quarter IV 2016	11,8	11,2	12,0	11,8	16,2	1	26,6	11,5	9,6	16,3	5,1	11,8	-2,6	106
Quarter I 2017	19,3	12,5	19,2	27,6	26,6	20,4	26,4	31,2	19,7	8,4	23,2	26,5	-6,4	109,4
Quarter II 2017	10,3	17,7	8	8,9	2,3	7,9	2,8	-7,2	14,2	22,3	14,1	13,7	-25,4	89,6
Quarter III 2017	25,7	15,5	13	20,4	18,3	5,5	21,6	22,7	22,4	19,9	7,3	19,7	-26,8	96,7
Quarter IV 2017	24,7	17,1	26	29,4	26,3	11,7	20,5	43,2	23,8	19,2	25,4	25,5	-20,8	-
Quarter I 2018	28,6	17,9	32,9	29,4	28,4	7,3	35,5	26,8	28,7	22,5	31,2	30,2	28,9	99,8

EXTERNAL SECTOR: INDICES OF TRADE IN GOODS						
Period	Value indices of exported goods (the same period of the previous year=100), %	Value indices of imported goods (the same period of the previous year=100), %	Unit value indices of exported goods (the same period of the previous year=100), %	Unit value indices of imported goods (the same period of the previous year=100), %	Volume indices of exported goods (the same period of the previous year=100), %	Volume indices of imported goods (the same period of the previous year=100), %
2012	97,5	100,4	97,0	99,0	101,0	101,0
2013	112,3	105,4	98,0	99,0	113,0	106,0
2014	96,3	96,8	94,0	96,0	102,0	101,0
2015	84,1	75,1	83,0	78,5	101,5	95,8
2016	104	101,5	96,2	68,8	108,3	108,4
2017	118,5	116,4	104,6	104,7	113,4	114,7
Quarter I 2012	106,7	109,7	98,0	103,0	109,0	106,0
Quarter II 2012	102,9	98,5	95,0	96,0	108,0	103,0
Quarter III 2012	92,2	96,5	94,0	95,0	98,0	102,0
Quarter IV 2012	91,3	98,8	99,0	100,0	92,0	99,0
Quarter I 2013	115,4	103,2	102,0	100,0	113,0	103,0
Quarter II 2013	100,4	107,5	99,0	98,0	101,0	110,0
Quarter III 2013	119,4	108,1	97,0	100,0	122,0	108,0
Quarter IV 2013	112,0	102,9	92,0	98,0	120,0	105,0
Quarter I 2014	97,2	98,0	97,2	98,0	106,0	100,0
Quarter II 2014	109,6	98,3	97,0	100,0	113,0	98,0
Quarter III 2014	93,5	95,8	95,0	97,0	98,0	99,0
Quarter IV 2014	88,1	92,3	89,0	92,0	100,0	104,0
Quarter I 2015	85,2	80,1	80,0	79,0	106,0	101,0
Quarter II 2015	84,2	75,9	79,0	79,0	107,0	96,0
Quarter III 2015	80,6	74,1	84,0	78,0	96,0	95,0
Quarter IV 2015	86,3	70,6	89,0	78,0	97,0	91,0
Quarter I 2016	85,5	91,1	95,0	88,0	90,0	104,0
Quarter II 2016	96,6	99,9	98,0	93,0	99,0	107,0
Quarter III 2016	115,9	105,1	95,9	94,2	120,9	111,5
Quarter IV 2016	118,0	109,8	95,7	98,9	123,3	111,1
Quarter I 2017	126,8	119,7	99,4	99,7	127,6	120,1
Quarter II 2017	102,3	114,3	97,4	100,8	105	113,3
Quarter III 2017	118,3	107,9	107,7	107,9	109,8	113,4
Quarter IV 2017	126,4	123,8	113,9	110,5	111	112
Quarter I 2018	128,4	128,7	111,5	115	115,1	111,9

Source: According to the data of the National Bureau of Statistics, author's calculations.

EXTERNAL SECTOR													
Value of exports, mln. USD													
	Q1/15	Q2/15	Q3/15	Q4/15	Q1/16	Q2/16	Q3/16	Q4/16	Q1/17	Q2/17	Q3/17	Q4/17	Q1/18
<b>Total export</b>	<b>488,0</b>	<b>504,8</b>	<b>455,4</b>	<b>519,2</b>	<b>417,2</b>	<b>488,8</b>	<b>527,3</b>	<b>612,7</b>	<b>528,2</b>	<b>500,0</b>	<b>623,6</b>	<b>773,6</b>	<b>678,2</b>
Agri-food products	243,6	233,2	177,6	131,5	176,1	205,8	230,6	329,4	238,7	191,4	282,6	418,2	318,0
Fruits and vegetables	70,9	59,6	42,7	81,0	41,5	34,1	32,8	61,4	48,8	25,4	43,8	112,6	70,97
Cereals	38,4	29,1	37,7	23,5	14,2	37,7	70,3	43,1	32,9	20,5	76,4	53,2	51,2
Oil seeds	51,4	52,0	26,1	47,9	36,3	49,6	33,4	82,7	58,3	44,9	54,3	85,2	74,9
Beverages	33,1	35,1	40,1	46,5	35,5	42,8	45,8	43,0	41,8	49,1	52,5	62	54,1
Oils	22,7	25,7	1,2	22,4	13,3	11,5	1,4	28,0	13,2	11,7	1,2	27,7	24,5
Minerals	2,2	2,5	3,8	1,6	2,2	2,9	4,3	4,5	6,0	6,0	8,5	8,3	6
Electrical equipment and machinery	57,8	62,0	59,5	56,2	53,0	62,7	66,4	69,2	70,2	80,4	90,4	105,4	108,9
Clothing	51,0	61,9	62,1	54,5	54,8	61,8	67,0	59,3	61,6	63,7	73,5	76,2	78,5
Drugs	13,4	21,4	17,5	23,9	4,5	11,5	14,0	18,9	11,6	14,4	19,2	17,5	17,9
Furniture	22,9	22,4	25,0	27,4	29	29,7	34,4	31,6	31,8	34	36,9	41	41,7
Value of imports, mln. USD													
	Q1/15	Q2/15	Q3/15	Q4/15	Q1/16	Q2/16	Q3/16	Q4/16	Q1/17	Q2/17	Q3/17	Q4/17	Q1/18
<b>Total import</b>	<b>976,1</b>	<b>1009,2</b>	<b>977,0</b>	<b>1024,4</b>	<b>861,1</b>	<b>1007,2</b>	<b>1026,9</b>	<b>1125,2</b>	<b>1030,7</b>	<b>1150,7</b>	<b>1257,4</b>	<b>1392,6</b>	<b>1326,2</b>
Food products	20,6	23,3	25,7	30,3	23,2	24,9	28,7	30,2	27,3	31,8	35,0	37,2	33,5
Oils, fats	4,9	5	4,6	5,8	4,7	6,3	7,2	5,8	5,2	6,4	7,9	6,3	5,0
Beverages and tobacco	16,2	26	30,8	26,3	22,7	27,5	29,9	29,6	17,5	31,2	37,6	37,9	16,8
Mineral products	237,0	168,1	156,2	172,3	159,3	130,4	140,9	199,5	177,5	175,6	184,5	236,7	228,8
Pharmaceutical products	38,0	47,1	41,9	69,9	28,1	44,9	46,4	64,6	47,9	55,9	56,5	63,3	55,6
Machinery and equipments, recorders...	76,9	75,9	87,3	87,4	61,8	79,2	92,5	110,2	84,2	93,9	108,1	143,4	119,5
Plastics and plastic products	50,7	65,5	72,0	65,7	51,4	66,1	75,0	65,3	53,8	72,7	82,6	83	70,7

Source: According to the data of the National Bureau of Statistics; author's calculations.

Period		DEMOGRAPHIC SITUATION														
		Number of the resident population (thou. pers.) beginning-year		Number of the present population (thou. pers.) beginning-year		Live-births		Deceased		Infant deaths		Natural increase		Marriages		Divorces
		Per 1000 people live-births	Number of live-births- total (pers.)	Per 1000 people deaths	Number of deceased - total (pers.)	Per 1000 people - deaths	Number of infant deaths - total (pers.)	Per 1000 people	Natural increase (pers.)	Per 1000 people	Number of marriages - total (number)	Marriages per 1000 people	Number of divorces - total (number)	Divorces per 1000 people		
2014		10,9	38616	11,1	39494	11,1	372	9,6	-878	9,6	25624	7,2	11130	3,1		
2015		10,9	38610	11,2	39906	11,2	375	9,7	-1296	9,7	24709	7,0	11199	3,2		
2016		10,5	37394	10,8	38489	10,8	353	9,4	-1095	9,4	21992	6,2	10605	3,0		
2017		9,6	34059	10,4	36764	10,4	330	n/d	-2705	n/d	20921	5,9	9312	2,6		
2018		n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d		
Quarter I 2015		10,5	9210	12,7	11164	12,7	91	9,8	-1954	9,8	3872	4,4	2922	3,3		
Quarter II 2015		10,5	18554	12,0	21074	12,0	183	9,8	-2520	9,8	9539	5,4	5772	3,3		
Quarter III 2015		10,9	28917	11,2	29725	11,2	273	9,4	-808	9,4	18729	7,0	8310	3,1		
Quarter IV 2015		10,9	38610	11,2	39906	11,2	375	9,7	-1296	9,7	24709	7,0	11199	3,2		
Quarter I 2016		10,6	9342	12,2	10752	12,2	99	10,6	-1410	10,6	3679	4,2	2767	3,1		
Quarter II 2016		10,3	18258	11,4	20160	11,4	179	9,8	-1902	9,8	8661	4,9	5574	3,2		
Quarter III 2016		10,6	28264	10,8	28626	10,8	256	9,1	-362	9,1	16872	6,3	7955	3,0		
Quarter IV 2016		10,5	37390	10,8	38487	10,8	353	9,4	-1095	9,4	21992	6,2	10605	3,0		
Quarter I 2017		9,6	8526	12,2	10834	12,2	86	n/d	-2308	n/d	3343	3,8	2498	2,8		
Quarter II 2017		9,5	16868	11,2	19775	11,2	174	n/d	-2907	n/d	8060	4,6	4980	2,8		
Quarter III 2017		9,8	26064	10,4	27585	10,4	250	n/d	-1536	n/d	16366	6,1	6978	2,6		
Quarter IV 2017		9,6	34059	10,4	36764	10,4	330	n/d	-2705	n/d	20921	5,9	9312	2,6		
Quarter I 2018		9,2	8068	11,7	10185	11,7	86	n/d	-2117	n/d	3176	3,6	2669	3,1		

Source: According to the data of the National Bureau of Statistics.

Period	LABOR MARKET																	
	Number of economically active population (thou pers.)		Activity rate of population, %				Number of employees (thou. pers.)		Employment rate of population, %				Number of ILO unemployed (thou. pers.)		Unemployment rate, %			
	Total	rural	men	women	urban	rural	Total	men	women	urban	rural	Total	men	women	urban	rural		
2013	1235,9	41,4	44,5	38,6	45,6	38,1	1172,8	39,3	41,8	37,0	42,8	36,6	63,1	5,1	6,0	4,1	6,3	4,1
2014	1232,4	41,2	44,1	38,6	44,1	39,1	1184,9	39,6	42,1	37,4	41,8	38,0	47,5	3,9	4,6	3,1	5,2	2,7
2015	1265,6	42,4	45,1	39,9	44,9	40,4	1203,6	40,3	42,3	38,4	42,0	38,9	62,1	4,9	6,2	3,6	6,4	3,5
2016	1272,8	42,6	45,4	40,1	45,0	40,8	1219,5	40,8	40,8	43,0	39,0	42,3	53,3	4,2	5,5	2,9	6,0	2,6
2017	1259,1	42,2	45,3	39,4	44,5	40,4	1207,5	40,5	43,1	38,1	41,9	39,3	51,6	4,1	4,8	3,3	5,7	2,7
Quarter I 2015	1151,9	38,6	41,2	36,1	43,7	34,5	1054,0	35,3	36,6	34,1	39,7	31,8	97,9	8,5	11,2	5,7	9,2	7,8
Quarter II 2015	1339,2	44,8	47,9	42,1	44,3	45,2	1284,0	43,0	45,4	40,8	41,6	44,1	55,1	4,1	5,2	3,0	6,2	2,5
Quarter III 2015	1349,2	45,2	48,2	42,4	45,5	44,9	1305,2	43,7	46,4	41,3	43,2	44,1	44,0	3,3	3,9	2,6	5,0	1,8
Quarter IV 2015	1222,3	40,9	43,2	38,9	46,0	36,9	1171,1	39,2	41,1	37,5	43,4	35,8	51,2	4,2	4,8	3,6	5,6	2,8
Quarter I 2016	1198,1	40,1	43,1	37,5	44,9	36,3	1123,7	37,6	39,5	35,9	41,1	34,8	74,4	6,2	8,3	4,0	8,4	4,0
Quarter II 2016	1362,9	45,7	48,3	43,3	45,3	46,0	1307,9	43,8	45,6	42,2	42,2	45,1	55,0	4,0	5,6	2,5	6,8	1,9
Quarter III 2016	1337,0	44,8	47,8	42,1	45,1	44,5	1298,3	43,5	46,2	41,1	43,2	43,7	38,7	2,9	3,4	2,4	4,3	1,8
Quarter IV 2016	1193,3	40,0	42,7	37,5	44,6	36,3	1148,3	38,5	40,6	36,5	42,6	35,2	44,9	3,8	4,8	2,7	4,5	3,1
Quarter I 2017	1201,6	40,3	43,7	37,2	45,0	36,5	1125,7	37,7	40,2	35,5	41,7	34,6	75,8	6,3	8,0	4,5	7,2	5,4
Quarter II 2017	1316,0	44,1	48,1	40,5	44,4	43,9	1270,3	42,6	46,3	39,2	42,2	42,9	45,7	3,5	3,8	3,2	5,0	2,3
Quarter III 2017	1308,7	43,9	46,9	41,1	45,1	42,9	1264,1	42,4	45,2	39,9	42,4	42,3	44,6	3,4	3,7	3,1	5,8	1,4
Quarter IV 2017	1210,2	40,6	42,5	38,8	43,5	38,3	1169,9	39,2	40,8	37,8	41,4	37,5	40,3	3,3	4,0	2,7	4,8	2,1
Quarter I 2018	1172,9	39,3	41,3	37,5	42,5	36,8	1124,6	37,7	39,3	36,2	40,4	35,6	48,3	4,1	4,7	3,5	4,9	3,4

Source: According to the data of the National Bureau of Statistics.

Period	REMUNERATION OF LABOR										
	Average monthly salary - Total					Index of nominal monthly salary (comparative to previous year), %					Index of real monthly salary (comparative to previous year), %
	MDL	USD	EUR	MDL	USD	EUR	MDL	USD	EUR		
January 2015	4260,6	256,5	219,1	112,8	89,4	104,1	112,8	89,4	104,1	107,7	
February 2015	4241,2	225,2	198,1	114,1	81,7	98,0	114,1	81,7	98,0	107,1	
March 2015	4397,3	236,0	217,1	112,4	81,5	103,6	112,4	81,5	103,6	104,9	
April 2015	4526,5	251,3	233,2	112,9	84,2	108,0	112,9	84,2	108,0	104,9	
May 2015	4524,0	252,0	225,7	112,2	85,5	105,3	112,2	85,5	105,3	103,8	
June 2015	4732,7	256,7	228,6	112,6	85,0	102,9	112,6	85,0	102,9	104,0	
July 2015	4882,6	257,4	233,8	112,8	83,4	102,6	112,8	83,4	102,6	103,9	
August 2015	4669,1	245,8	220,4	109,2	79,5	95,0	109,2	79,5	95,0	97,3	
September 2015	4694,9	239,0	212,6	110,0	80,2	92,2	110,0	80,2	92,2	97,7	
October 2015	4564,9	229,2	203,8	105,9	78,0	88,0	105,9	78,0	88,0	93,6	
November 2015	4613,4	230,7	214,5	105,9	79,2	91,9	105,9	79,2	91,9	93,3	
December 2015	5227,7	263,6	243,0	107,4	83,6	95,0	107,4	83,6	95,0	94,5	
January 2016	4665,8	229,7	211,4	109,5	89,6	96,5	109,5	89,6	96,5	96,6	
February 2016	4650,6	231,5	208,3	109,7	102,8	105,1	109,7	102,8	105,1	99,5	
March 2016	4749,7	239,7	216,1	108,0	101,6	99,5	108,0	101,6	99,5	98,7	
April 2016	4909,6	249,1	219,8	108,5	99,1	94,3	108,5	99,1	94,3	100,2	
May 2016	4863,9	244,9	216,5	107,5	97,2	95,9	107,5	97,2	95,9	99,6	
June 2016	5169,7	260,9	232,4	109,2	101,6	101,7	109,2	101,6	101,7	101,7	
July 2016	5274,0	266,2	240,3	108,0	103,4	102,8	108,0	103,4	102,8	100,9	
August 2016	5242,8	265,2	236,4	112,3	107,9	107,2	112,3	107,9	107,2	108,4	
September 2016	5170,6	261,3	232,9	110,1	109,3	105,9	110,1	109,3	105,9	106,9	
October 2016	5109,2	261,7	237,0	111,9	114,2	116,3	111,9	114,2	116,3	109,2	
November 2016	5204,4	254,6	235,5	112,8	110,4	109,7	112,8	110,4	109,7	109,9	
December 2016	6003,7	297,8	282,3	114,8	113,0	116,2	114,8	113,0	116,2	112,1	
Quarter I 2017	5218,9	261,5	245,6	111,3	112,0	115,9	111,3	112,0	115,9	106,7	
Quarter II 2017	5636,7	300,6	273,7	113,2	119,5	122,8	113,2	119,5	122,8	105,7	
Quarter III 2017	5809,1	324,2	276,3	111,1	122,7	116,8	111,1	122,7	116,8	103,4	
Quarter IV 2017	6113,6	352,0	298,8	112,4	129,7	118,9	112,4	129,7	118,9	104,6	
Quarter I 2018	5906,5	352,7	287,2	113,2	134,9	116,9	113,2	134,9	116,9	107,6	

Source: According to the data of the National Bureau of Statistics.

REMUNERATION OF LABOR BY ECONOMIC ACTIVITIES

Economic activities	Total economy	Agriculture, forestry and fishing	Industry	Constructions	Wholesale and retail trade, maintenance and repair of vehicles and motorcycles	Transport and storage	Accommodation and food service activities	Information and communications	Financial and insurance activities	Real estate transactions	Professional, scientific and technical activities	Activities of administrative and support services	Public administration and defense; mandatory social insurance	Education	Health and social assistance	Art, recreation and leisure activities	Other service activities
January	4260,6	2602,8	4514,4	3950,8	3552,4	4130,6	2827,6	8533,6	7683,3	4014,8	5735,9	3634,2	5460,4	3579,9	4149,9	3086,1	5647,1
February	4241,2	2576,2	4445,4	4011,3	3559,2	3940,4	2781,9	8899,3	7305,5	3942,7	5790,8	3291,5	5568,9	3664,6	3984,6	3069,4	6582,6
March	4397,3	2834,8	4707,1	4229,2	3657,1	4113,4	2904,1	9650,7	8825,2	4028,8	6064,7	3534,9	5792,4	3609,6	4028,2	2922,5	6015,5
April	4526,5	2815,9	4994,9	4369,0	3797,5	4406,4	2851,2	10443,5	9595,3	4257,0	5785,6	3531,6	5493,6	3549,6	4454,3	2882,5	6776,7
May	4524,0	2900,1	4845,4	4581,7	3826,5	4566,5	2970,3	9400,4	8092,1	4259,6	6248,4	3641,5	5503,1	3811,8	4469,8	2996,3	6870,4
June	4732,7	2936,6	4936,5	4687,3	3974,5	4369,3	3081,0	9611,4	8471,0	4119,4	6558,3	3715,0	5997,0	4304,3	4562,2	3180,2	7943,6
July	4882,6	3233,9	5076,0	4762,1	4054,1	4541,4	3219,2	9640,5	10121,3	4316,4	6854,3	3739,9	6604,3	4122,9	4726,5	3113,3	7183,5
August	4669,1	2878,7	5027,4	4690,4	3977,6	4615,6	3181,1	9392,6	8235,3	4112,6	6442,1	3816,8	5841,1	4109,8	4398,1	2839,3	6609,8
September	4694,9	3484,0	5150,1	4781,2	4034,8	4596,3	3204,1	12024,8	8005,3	4195,9	6449,9	3729,6	5347,9	3778,1	4243,6	2954,1	7398,9
October	4564,9	3395,4	4942,8	4761,8	4013,8	4485,7	3220,2	9725,0	8736,8	4231,5	6362,7	3773,5	5324,0	3648,5	4250,2	2918,1	7143,9
November	4613,4	3363,1	5007,2	4637,6	3937,5	4271,0	3131,7	9533,1	8246,3	4247,8	6661,0	3635,6	5771,7	3735,3	4404,6	3107,2	7141,6
December	5227,7	3713,0	5884,1	5145,5	4453,4	4907,6	3290,8	10429,6	10685,4	4922,9	7102,4	4039,9	6279,6	3878,5	5518,1	3118,6	8574,9
2015	4610,9	3072,3	4962,8	4559,0	3903,2	4411,3	3055,6	9770,7	8659,6	4218,7	6320,2	3669,7	5749,2	3813,6	4430,2	3015,8	6965,4
January	4665,8	2677,1	4837,7	4423,8	4221,7	4372,5	3194,0	9534,2	9040,2	4290,3	6349,3	3790,8	6126,9	3708,5	4354,4	3109,9	8351,3
February	4650,6	2861,0	4813,2	4539,2	4171,1	4303,8	3193,0	9928,7	8723,3	4370,7	6497,7	3756,7	6143,5	3789,3	4097,6	3147,8	8513,1
March	4749,7	3003,2	4982,5	4648,6	4284,5	4399,2	3317,0	12310,5	10503,5	4384,4	6803,8	4034,6	5593,3	3686,0	4207,1	2948,7	8911,4
April	4909,6	3096,1	5290,6	4712,5	4394,5	4557,8	3361,3	11153,8	11206,1	4604,5	6646,1	3891,4	6067,9	3715,0	4672,7	2984,7	9484,0
May	4863,9	3040,6	5159,1	4841,4	4483,4	4790,6	3420,8	10869,0	9136,3	4739,2	6552,9	4110,8	5771,0	3908,7	4492,4	3062,0	8404,5
June	5169,7	3122,1	5275,1	4995,4	4607,0	4695,7	3542,7	10933,8	9828,6	4875,5	6959,8	4074,6	6683,2	4438,3	4903,5	3257,6	9434,2
July	5274,0	3567,7	5466,3	5132,4	4604,6	4772,6	3591,4	10800,3	10025,2	4967,0	7045,1	4215,2	6785,3	4279,0	5460,3	3221,9	9082,8
August	5242,8	3283,0	5608,1	5339,3	4739,9	5224,5	3607,8	10593,0	9714,1	4799,1	6649,9	4335,0	6310,2	4354,8	5093,8	2920,8	9136,6
September	5170,6	3745,3	5455,6	5344,5	4716,6	5014,4	3585,0	12900,0	9259,6	4803,0	6616,8	4292,0	5733,0	4115,0	4909,5	3140,9	9381,8
October	5109,4	3474,4	5370,4	5351,0	4627,9	4864,0	3565,5	10882,5	9783,2	4938,1	6770,2	4295,0	5685,9	3977,3	5499,4	3107,2	9053,7
November	5204,4	3672,7	5468,4	5413,8	4645,6	4682,0	3450,2	10480,5	10335,9	4921,6	7127,9	4380,4	5975,4	4156,7	5353,8	3304,2	9530,1
December	6003,7	4154,0	6446,6	5762,3	5209,7	5316,3	3657,5	11962,2	16536,4	5599,0	7673,1	4585,8	6859,3	4125,0	7061,8	3399,0	10578,5
2016	5084,0	3321,4	5353,7	5064,5	4558,0	4746,3	3454,8	11027,5	10338,9	4779,6	6806,8	4144,3	6144,2	4017,7	5010,0	3130,1	9081,0
Quarter I 2017	5218,9	3265,6	5276,5	4704,0	4713,4	4797,7	3495,2	11567,4	9821,9	4634,6	6900,5	4336,6	7197,4	4085,6	5066,0	3318,1	7039,6
Quarter II 2017	5636,7	3554,6	5812,6	5577,6	5047,8	5244,8	3680,1	12553,8	10503,2	5010,6	7448,0	4651,2	7258,2	4530,6	5718,6	3307,2	7406,0
Quarter III 2017	5809,1	4035,5	6112,6	5884,2	5304,7	5650,6	3965,9	12775,1	10763,9	5337,0	7413,5	5019,8	7272,2	4565,9	5517,3	3209,3	7547,7
Quarter IV 2017	6113,6	4254,2	6367,7	6225,1	5398,2	5881,6	4106,0	12875,5	13021,6	5475,8	7814,9	5012,5	7727,9	4463,9	6234,9	3460,2	8357,9
2017	5697,1	3798,0	5902,7	5649,8	5120,1	5389,6	3812,9	12443,7	11034,7	5107,2	7392,1	4752,3	7361,4	4459,0	5634,6	3323,9	7592,9
Quarter I 2018	5906,5	3713,3	5904,5	5597,8	5509,2	5470,0	4075,5	13089,4	11262,6	5188,5	7770,6	4944,5	8307,2	4679,2	5476,8	3685,1	6592,4

Source: According to the data of the National Bureau of Statistics.

Note: Information contains the units from the real sector with 4 or more employees and all public institutions regardless the number of employees.

Period	HOUSEHOLD DISPOSABLE REVENUES						
	Household disposable revenues MDL	Structure of household disposable revenues, %					Other sources
		Employment activity	Agricultural individual activity	Non-agricultural individual activity	Property	Social benefits	
2013	1681,4	41,6	9,1	6,9	0,2	19,9	22,3
2014	1767,5	41,6	9,5	6,6	0,1	20,2	21,9
2015	1956,6	41,4	9,0	6,9	0,2	20,9	21,6
2016	2060,1	42,1	8,3	6,6	0,2	22,1	20,8
2017	2244,9	43,1	7,8	5,5	0,1	23,4	20,1
Quarter I 2015	1854,0	40,2	9,6	5,3	0,2	21,4	23,3
Quarter II 2015	1997,2	43,5	9,3	6,6	0,1	19,9	20,6
Quarter III 2015	1978,3	39,9	8,5	7,5	0,2	21,5	22,4
Quarter IV 2015	1999,4	41,7	8,9	8,2	0,2	20,9	20,1
Quarter I 2016	2027,8	42,4	8,7	6,2	0,2	19,5	23,0
Quarter II 2016	2029,3	41,1	9,2	6,7	0,0	21,4	21,6
Quarter III 2016	2080,5	41,6	7,6	7,0	0,1	24,3	19,4
Quarter IV 2016	2105,2	42,9	8,0	6,6	0,3	23,2	19,1
Quarter I 2017	2134,5	40,2	8,6	5,4	0,0	23,8	22,0
Quarter II 2017	2227,6	43,2	7,4	6,5	0,0	22,0	20,9
Quarter III 2017	2222,5	43,6	8,0	4,4	0,1	25,8	18,1
Quarter IV 2017	2399,2	45,2	7,6	5,5	0,3	22,1	19,4
Quarter I 2018	2353,5	40,8	7,9	5,3	0,0	23,9	22,1

Source: According to the data of the National Bureau of Statistics.

Period	HOUSEHOLD CONSUMER EXPENDITURES												
	Household consumer expenditures structure, %												
Household consumer expenditures MDL	Food products	alcoholic beverages, tobacco	clothing and footwear	household and maintenance	endowment house	health	transport	communications	recreation	Education	hotel, restaurant, cafes	other goods and services	
2013	1775,8	42,8	1,5	10,3	19,2	3,6	5,7	4,7	4,2	1,5	0,8	1,5	4,0
2014	1816,7	43,8	1,3	10,6	18,9	3,5	5,6	4,4	4,3	1,3	0,7	1,5	4,0
2015	2048,5	42,1	1,4	11,2	17,9	3,9	6,5	4,5	4,3	1,4	0,7	1,7	4,4
2016	2116,8	42,6	1,5	10,5	17,8	4,0	6,4	4,8	4,7	1,3	0,7	1,5	4,4
2017	2250,3	43,4	1,5	10,4	18,6	3,9	5,9	3,7	4,5	1,3	0,5	1,8	4,5
Quarter I 2015	1913,3	41,5	1,4	11,0	17,1	3,5	7,7	4,9	4,4	1,6	0,6	1,7	4,8
Quarter II 2015	2075,9	41,9	1,4	11,0	17,9	4,0	6,3	4,8	4,5	1,1	0,6	2,0	4,6
Quarter III 2015	2132,7	41,6	1,4	11,8	18,9	4,1	6,2	4,0	4,1	1,6	0,7	1,4	4,3
Quarter IV 2015	2072,9	43,3	1,5	11,0	17,6	4,1	5,9	4,6	4,2	1,3	0,7	1,8	4,1
Quarter I 2016	2058,1	42,0	1,4	9,7	17,5	3,6	6,3	7,3	4,3	1,2	0,6	1,1	5,0
Quarter II 2016	2079,7	43,4	1,5	10,7	18,5	3,8	5,8	4,1	4,4	1,1	0,8	1,5	4,5
Quarter III 2016	2199,7	41,3	1,7	10,8	18,0	4,1	7,4	4,3	4,4	1,7	0,7	1,6	4,1
Quarter IV 2016	2129,8	43,9	1,4	10,8	17,3	4,4	5,9	3,3	5,6	1,1	0,6	1,6	4,1
Quarter I 2017	2091,3	44,1	1,4	9,7	18,7	3,8	6,3	3,5	4,6	1,5	0,6	1,5	4,3
Quarter II 2017	2246,8	44,3	1,6	10,4	18,4	3,8	5,5	3,9	4,5	1,2	0,5	1,4	4,3
Quarter III 2017	2303,1	43,0	1,5	10,8	19,8	4,0	5,7	3,5	4,2	1,1	0,3	1,8	4,3
Quarter IV 2017	2359,5	42,4	1,5	10,6	17,6	4,1	6,0	3,9	4,6	1,5	0,7	2,3	4,9
Quarter I 2018	2329,8	43,9	1,5	10,4	17,9	3,4	6,2	3,8	4,6	1,5	0,5	1,9	4,4

Source: According to the data of the National Bureau of Statistics.

Period	CRIMES																					
	Recorded crimes - total, (cases)																					
	Crimes against life and health of the person (cases)			Crimes on sexual life (cases)			Crimes against property (cases)							Crimes against public health and social coexistence (cases)		Crimes against family and minors (cases)		Economic crimes (cases)			Crimes against public security and public order (cases)	
	Total	Murder	Premeditated severe injuries	Total	Rape	Theft	Brigandage	Robbery	Fraud	Pocket-picking	Scam	Total	Drug related crimes	Total	Trafficking in children	Total	Contraband	Manufacture of counterfeit currency	Total	Hoolliganism		
2013	38157	1647	324	608	349	15378	146	1144	2065	741	88	1305	1166	1474	20	1002	151	344	1625	1444		
2014	41786	1542	320	647	352	16729	125	1127	2068	836	77	1439	1288	2423	24	1305	216	286	1804	1614		
2015	39782	1389	252	639	303	20588	113	994	2077	1011	67	1362	1191	2058	38	1429	229	433	1752	1491		
2016	41921	1505	189	642	341	22440	128	1082	2390	1598	92	1330	1153	1836	28	1132	240	216	1954	1699		
2017	35581	1250	154	592	301	17224	98	846	2159	1217	69	1411	1269	1025	41	1060	212	194	1653	1447		
Quarter I 2015	8875	276	39	130	63	4601	40	239	439	264	12	332	299	529	5	324	47	104	421	358		
Quarter II 2015	18696	599	74	286	139	9615	7143	72	462	919	514	23	716	632	1039	19	713	97	259	847	722	
Quarter III 2015	28583	950	118	478	224	14462	10793	87	714	1429	704	47	1079	955	1563	30	1012	145	333	1289	1100	
Quarter IV 2015	39782	1389	177	639	303	20588	15363	113	994	2077	1011	67	1362	1191	2058	38	1429	229	433	1752	1491	
Quarter I 2016	9808	351	46	141	65	5338	3916	43	247	546	365	23	285	244	466	5	247	47	426	366		
Quarter II 2016	20588	724	88	316	170	11147	8149	66	485	1193	771	47	597	508	1065	14	560	120	105	925	797	
Quarter III 2016	30719	1088	140	480	264	16381	11942	93	792	1707	1096	72	1001	880	1581	23	810	150	144	1436	1245	
Quarter IV 2016	41921	1505	189	642	341	22440	16238	128	1082	2390	1598	92	1330	1153	1836	28	1132	240	216	1954	1699	
Quarter I 2017	8287	n/d	41	48	n/d	59	2835	34	198	n/d	n/d	n/d	287	n/d	n/d	n/d	n/d	n/d	n/d	331		
Quarter II 2017	16778	n/d	76	89	n/d	136	5754	49	367	n/d	n/d	n/d	564	n/d	n/d	n/d	n/d	n/d	n/d	635		
Quarter III 2017	25818	n/d	113	137	n/d	215	8735	65	612	n/d	n/d	n/d	961	n/d	n/d	n/d	n/d	n/d	n/d	1052		
Quarter IV 2017	35581	1250	154	592	301	17224	12154	98	846	2159	1217	69	1411	1269	1025	41	1060	212	194	1653	1447	
Quarter I 2018	7402	n/d	49	51	n/d	58	2223	16	194	n/d	n/d	n/d	310	n/d	n/d	n/d	n/d	n/d	n/d	313		

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