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CONTENTS

Main political, economic and social events from the Republic of Moldova	11
Edition summary	14
Chapter I. PRODUCTION	19
Chapter II. PRICES, EXCHANGE RATES AND MONETARY POLICY	28
Chapter III. FINANCES	36
Chapter IV. EXTERNAL SECTOR	50
Chapter V. BUSINESS ENVIRONMENT	59
Chapter VI. SOCIAL SECTOR	62
Chapter VII. FORECAST FOR 2017	72
STATISTICAL ANNEXES	77

GENERAL DATA

Official name	REPUBLIC OF MOLDOVA
Capital	Chisinau
President	Igor Dodon, elected on November 13, 2016
President of the Parliament	Andrian Candu
Prime Minister	Pavel Filip
Parliament of the Republic of Moldova	101 deputies: Socialist Party of the Republic of Moldova - 24, Liberal Democratic Party of Moldova - 5, Communist Party of the Republic of Moldova - 7, Democratic Party of Moldova - 39, Liberal Party - 11, Unaffiliated deputies - 15.
Independence was obtained on	August 27, 1991
Area	33.8 thousand km ²
Administrative units	32 districts, 5 municipalities (Chisinau, Balti, Bender, Comrat, Tiraspol), ATU Gagauzia, Administrative Territorial Units from the left of the Dniester
Resident Population	3550.9 thousand inhabitants (beginning of 2017)
Main religions	Orthodox (93.34%), Protestant (1.98%), Old-Rite Christians (0.15%), Catholic (0.14%), etc.
National currency	Moldovan leu (average exchange rate, quarter II, 2017 - 1 USD = 18.8 MDL, 1 EUR = 20.6 MDL)

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 1.1. Gross domestic product in 1st half of 2017	19
Table 1.2. Industrial sector activity in January-June 2017	21
Table 1.3. Investment in long-term tangible assets by funding sources during January-June 2017	24
Table 1.4. Tourists and excursionists participating in tourism through tourism agencies and tour operators	25
Table 2.2.1. NBM activity on interbank foreign exchange market during January 2016–August 2017	33
Table 4.1. Dynamics of main aggregates of balance of payments in S I, 2016-2017, mln. USD (preliminary data).....	50
Table 4.2. Dynamics of trade exchanges in S I, 2016-2017, mln. US Dollars	54
Table 5.1. Growth indices in the number of registered and deregistered enterprises in S I 2011-2017 compared to the same period of the previous year, %.....	59
Table 5.2. Data on net profit (loss) of organizations from the left bank of the Dniester River by types of activity in January-June, 2017	60
Table 6.1. Subsistence minimum in the region from the left bank of the Dniester River in the first half of 2017	71
Table 7.1. Development of macroeconomic indicators in 2012-2016 and forecast for 2017	74

FIGURES

Figure 1.1. GDP dynamics, January-June 2009-2017, %	19
Figure 1.2. Contribution of resource components to GDP formation in 2017 and to its increase compared to 2016, %.....	20
Figure 1.3. Contribution of components by categories of uses to GDP formation and increase in January-June 2017 compared to the same period of 2016, %	20
Figure 1.4. Indexes of industrial production during January-June 2009 - 2017, %.....	21
Figure 1.5. Dynamics of agricultural production in January-June 2009-2017, %.....	22
Figure 1.6. Transported commodities in January-June 2009-2017, thousand tonnes.....	23
Figure 1.7. Dynamics in volume of investment in fixed assets in January-June 2009-2017, %.....	24
Figure 1.8. Indexes of industrial production in January-June 2009-2017, %.....	26
Figure 1.9. Dynamics of investment in fixed assets in January-June 2009-2017, %.....	26
Figure 2.1.1. Annual growth rate of CPI and its components, %.....	28
Figure 2.1.2. Annual growth rate of CPI and core inflation, %.....	29
Figure 2.1.3. Annual growth rate of industrial production prices and its components, %.....	30
Figure 2.1.4. Development of average monthly nominal exchange rate of MDL in relation to USD and EURO.....	31
Figure 2.1.5. Annual growth rate of CPI in region from the left side of the Dniester River, %.....	31
Figure 2.2.1. Development of interest rates on monetary policy instruments of the National Bank of Moldova during 2015-2017	32
Figure 2.2.2. Ratio of Required Reserves at the NBM, %	33
Figure 2.2.3. Structure of money supply M3.....	35
Figure 3.1.1. Structure of revenues in NPB in S I, 2017, mln. MDL	36
Figure 3.1.2. Structure of revenues by source in NPB in S I, 2016-2017, mln. MDL.....	37
Figure 3.1.3. Structure of expenditures in NPB in S I, 2017, %.....	38
Figure 3.1.4. NPB deficit, mln. MDL.....	39
Figure 3.1.5. Structure of public sector debt during 2016-2017, thousand MDL.....	39
Figure 3.1.6. Relation of debt types compared to GDP	40
Figure 3.2.1. Development of quality of bank assets.....	42
Figure 3.2.2. Development of quality of bank capital	43
Figure 3.2.3. Level of liquidity in the banking sector on June 30, 2017.....	43
Figure 3.2.4. Development of loans by currency and categories of debtors, thousand MDL	44
Figure 3.2.5. Development of non-performing loans in banking sector	45

Figure 3.2.6. Development of net banking margin, average interest rates on new deposits and loans in MDL, %	46
Figure 3.2.7. Development in the balance of deposits in S I, 2017, mln. MDL	47
Figure 3.2.8. Development of banking return and profitability in 2016-2017	47
Figure 3.2.9. Annual growth rates of bank assets, deposits and loans in the region to the left bank of the Dniester River, %	48
Figure 4.1. FDI stock by quarters in 2014-2017, mln. USD	51
Figure 4.2. Distribution of FDI, equity capital accumulated on June 30, 2017, by activities	51
Figure 4.3. Remittances from abroad made in favour of individuals through Moldovan banks by quarters during 2011-2017, mln. USD	52
Figure 4.4. Structure by main countries of remittances from abroad made in favour of individuals in Q II, 2017, %	53
Figure 4.5. Trends of external trade in goods, January-June 2010-2017, mln lei	54
Figure 4.6. Structure of exports by groups of countries in S I, 2010-2017, %	55
Figure 4.7. Structure of imports by groups of countries in S I, 2010-2017, %	56
Figure 4.8. Dynamics of external trade in the region of the Republic of Moldova to the left of the Dniester River in S I, 2016 - 2017, mln. USD	57
Figure 4.9. Dynamics of external trade in the region of the Republic of Moldova to the left of the Dniester River by main groups of countries during the period January-July, 2016 – 2017, mln.USD	58
Figure 5.1. Dynamics in the number of registered and deregistered enterprises in semester I 2010-2017, unit	59
Figure 5.2. Dynamics in the net number of enterprises registered in the State Register in S I 2011-2016	60
Figure 6.1. Natural movement of population in quarter II in 2010-2017	62
Figure 6.2. Dynamics of activity, employment and unemployment rates of population aged 15 and over in quarter II in 2010-2017	63
Figure 6.3. Dynamics of disposable revenues of population, nominal value and growth rates by quarters, Q I 2013 – Q II 2017	66
Figure 6.4. Dynamics of consumer expenditures, nominal value and growth rates by quarters, Q I 2013 – Q II 2017	67
Figure 7.1. GDP dynamics of the Republic of Moldova during 1990-2016 and forecast for 2017	75

BOXES

Box 6.1. Rise in salaries of teaching and teaching-scientific staff in state educational institutions	65
Box 6.2. Increase of tariffs on heat energy for final consumers from Chisinau and Balti	67
Box 6.3. Dynamics of average amount of pension for retirement age	68
Box 6.4. Increase of retirement age and contribution	69

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

The first half of 2017 was marked by several important events of political, economic and social nature.

April 12

The European Commission has approved the start of negotiation on macro-financial assistance for the Republic of Moldova in the amount of 100 mln. EUR, of which 60 mln. EUR will be provided as a loan and 40 mln. EUR – as a grant. The aim of the financial assistance is to stabilize the Moldovan economy, to improve the economic governance of the country and to achieve several crucial reforms.

May 2

The International Monetary Fund has adopted the decision to allocate for the Republic of Moldova a new tranche of the loan provided as a financial support in order to redress the financial system and promote structural reforms to the tune of 15.7 mln. SDR, equivalent of about 21.5 mln. USD.

May 4

The Parliament of the Republic of Moldova has ratified the Paris Climate Change Agreement which provides a reduction of at least 67% or even 78% of total net national greenhouse gas emissions by 2030.

May 5

The Prime-Minister of the Republic of Moldova, Pavel Filip has had a meeting with the prince of Monaco, Albert II. During the meeting the possibilities for deeping the cooperetation between the two countries have been discussed. In the meeting, the framework agreement of cooperation between the two countries highlighting the environmental protection and exploration of renewable energies, exchange of experience in adopting and implementing the 2030 Agenda for Sustainable Development Goals, agriculture and agri-food industry, tourism and hotel services, culture, education and sport among the main areas of cooperation has been signed.

May 5 – 6

The Prime-Minister of Turkey, Binali Yıldırım paid an official visit to the Republic of Moldova having a meeting with the Prime-Minister of Moldova, Pavel Filip. During this meeting, both parts have appreciated the dynamics of actual bilateral relations noting that the discussions in the meeting have contributed to the creation of optimal conditions in order to intensify the cooperation of the economic agents between the two countries. Also, there was agreed to create a trade and economic office to the Embassy of the Republic of Moldova in Turkey to make the implementation of stipulations included in the Free Trade Agreement between the two countries more efficient.

May 6

The Moldovan-Turkish business forum, held in Chisinau brought over 50 companies from Turkey in the field of light industry, logistics, pharmaceutical industry, agriculture, constructions, trade etc. The aim of the event was to intensify the Moldovan-Turkish trade and economic relations, to

identify new business opportunities, to establish direct contacts of cooperation with the direct economic agents of the two countries, to develop investment, etc.

May 9 - 11

The Deputy Prime-Minister, Minister of Economy, Octavian Calmac attended the XXVI Annual Meeting of the Governing Council of the European Bank for Reconstruction and Development. During the meeting MR. Deputy Prime-Minister has mentioned about the priorities of the Government of the Republic of Moldova in the process of reforming and modernizing all social-economic fields in the country as well as the priorities of cooperation with the EBRD.

May 12 - 22

The President of the Academy of Science, the acad. Gheorghe Duca payed a working visit to the Sichuan University of People's Republic of China. During the visit, the president of ASM has discussed with the rector of Sichuan University, prof. Xe Herping, about aspects and opportunities of Moldovan-Chinese bilateral cooperation in the field of science, research and innovation. The parts agreed to conclude an Academic Exchange Agreement between the University of Academy of Science of Moldova and Sichuan University of People's Republic of China which will be negotiated and signed in the near future. The Agreement also includes the exchange of students, researchers and lecturers in order to promote science, research, and education in both countries.

May 17

The Prime-Minister of Moldova, Pavel Filip and UN Resident Coordinator and permanent representative of UNDP in the Republic of Moldova, Dafina Gercheva have signed a new UN Assistance Framework Program for Sustainable Development in the Republic of Moldova for 2018-2022 in the amount of 155.5 mln. USD. The new assistance program should contribute to the development priorities of the Republic of Moldova in the following areas: government, human rights and gender equality; sustainable, inclusive and equitable economic growth; sustainability and resilience of environment; inclusive and equitable social development.

May 24

The Cabinet Ministers of the Government of the Republic of Moldova has approved the Draft law for ratification of Grant Agreement with Japan on implementation of the Project "Conservation agriculture – development of a sustainable soil management system in the Republic of Moldova". The Agreement provides the allocation of a non-reimbursable funding in the amount of 4.8 mln. USD to develop the conservation agriculture in the Republic of Moldova, especially to purchase agricultural equipments and appliances.

May 29

The Parliament of the Republic of Moldova has approved the mechanism for introduction of a single tax for IT-Park residents at first reading. Thus, the draft law implies the introduction of several amendments and completions in Tax Code to provide for the opportunity of applying the single tax rate in the ratio of 7% of sales revenues for IT-Park residents which will increase the attractiveness of IT sector for internal and external investors as well as acceleration of development and full potential of this industry.

June 6

The European Commission will grant Moldova 150 thousand EUR for the fight against African swine fever. The funding agreement has been signed between ANSA and European Commission

under achievement of efficient and operative actions made to bring under control the outbreaks of African swine fever.

June 12

The Government of the Republic of Moldova has approved several legislative amendments on regulation through authorization of entrepreneurial activity. Thus, according to the document, the number of permissive documents has been reduced by about 150. This has a direct impact on business environment and reduces the actual burden on the entrepreneurial community.

June 9

The Board of Executive Directors of World Bank has approved a fund in the amount of 27.2 mln. USD granted to the Republic of Moldova for the Climate Change Adaptation Project which will provide assistance to protect agricultural households, forests and grazings against climate changes in specific areas as well as to fund the national systems for managing the natural disasters.

June 29

The Executive Board of the National Bank of Moldova has adopted the decrease of the base rate applied on the main monetary policy operations in the short-term by 1 percentage point, from 9 to 8 percent annually. It was also decided to decrease the interest rate on overnight loans by 1 percentage point from 12 to 11 percent annually and interest rate on overnight deposits from 6 to 5 percent 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 percent of the computation base and required reserves ratio from means attracted in freely convertible currency at the actual level of 14 percent of the computation base.



EDITION SUMMARY

Production

The first semester of 2017, to a great extent, was situated on an upward trend showing slight increases in most sectors of the national economy.

In semester I of 2017, the **gross domestic product** totaled 63921 mln. MDL (at current prices) increasing by 2.8% compared to the same period of the previous year. The most significant contributions to the GDP increase have had: wholesale and retail trade; maintenance and repair of vehicles and motorcycles; transport; storage and accommodation and food service activities – 1.5%, constructions – 0.2% and information and communications – 0.2%.

The volume of industrial production in semester I, 2017 is up by 0.3% (gross series) compared to the similar period of the last year. The positive influence was due to the increase in the production of mining industry by 1.6% and manufacturing industry which grew by 0.4%.

The agricultural production in all types of households has decreased by 5% compared to the same period of the previous year. This is greatly due to the significant reduction of vegetable production by 28.4%. However, the livestock production showed an insignificant decrease of 0.4% compared to the same period of the last year.

In the first semester of 2017, transport services increased their activity. Thus, the volume of transported commodities by railway, road, fluvial and air transport enterprises reached 6576.6 thousand tonnes or by 22.5% more in comparison with semester I of 2016. This growth was influenced by railway transport which totaled an increase of 32.7%, road transport 19.1% and air one holding a low weight increased its activity by 2 times.

Investment in fixed assets in semester I, 2017 reached 6175.6 mln. MDL (at current prices), thus registering an increase of 2.5% compared to the same period of the last year. The highest influence had the investment in tangible assets totaling 6062.3 mln. MDL which increased by 2.3%.

Prices and exchange rates

In the first semester of 2017, **the consumer price index** has increased by 5.7%, declining by 3.8p.p. against the same period of the previous year. During the same period, there were recorded the following rises for CPI components: food products – 6.5%, non-food products – 4.8%, services – 5.6%.

In quarter II, 2017 the growth rate of CPI was 7.1%, decreasing by 0.8 p.p compared to the same period of the previous year. There were recorded the following increases for CPI components in April-June, 2017: food products – 8.4%, non-food products – 4.9%, services – 8.2%.

Core inflation since the beginning of 2017 registers a deceleration compared to CPI dynamics. During April - June, 2017 the core inflation index amounted to 4.8% sply decreasing by 4.8 p.p compared to the same period of 2016. The decrease of core inflation was especially due to the slight appreciation of the national currency against USD and single European currency mitigating partially the rise of regulated prices and amendments in fiscal policy of the country.

In quarter II, 2017 other price indexes have also recorded uneven increases which compared to the same period of the last year had the following developments:

- ✓ industrial production price index dropped by 1.6 p.p compared to the same period of the previous year reaching 3.6%;
- ✓ growth price index in constructions has decreased compared to the level recorded in the similar period of the previous year by 3p.p., accounting for 4.6%
- ✓ producer prices for agricultural products have declined by 1.1% against the same period of 2016;
- ✓ growth rate of fuel prices recorded 9.7% sply which increased by 13.1 p.p sply.

In the second quarter of 2017, **the average nominal exchange rate** against the major reference currencies amounted to 20.6 MDL/EUR and 18.8 MDL/USD, appreciating compared to the similar period of the previous year by 7.9% in relation to single European currency and by 5.3% against US dollar. In real terms, Moldovan leu has appreciated during this period by 10.3% against USD (compared to the same period, last year) and by 10.3% against Euro sply.

Monetary policy

In quarter II, 2017 the **base rate** maintained at the level established since November 2016 amounting to 9%, declining by about 6 p.p. against its level during the similar period of the previous year. The interest rate on overnight loans is still maintained at the level of 12% and interest rate on overnight deposits is 6%. At the beginning of quarter III of 2017, the NBM made further reductions in monetary policy rates.

Reserve requirements ratio. In quarter II of this year the NBM has gradually increased the reserve requirements ratio from means attracted in Moldovan lei and non-convertible currency by 5.0 percentage points up to 40% of computation base under the influence of intensifying the inflationary pressures. This reflects on the economy by maintaining a low level of lending in the real sector.

Stock of official reserve assets at the end of the first semester of 2017 has increased by 183 mln. USD since the beginning of this year and continues to grow. The stock of official reserve assets at the end of quarter II, 2017 amounted to 2.38 bln. USD, increasing by 27.4% sply.

Money supply loosely (M3) declines slightly in growth rates. The components of monetary aggregate M1, especially demand deposits in national currency have had the main contribution to the increase of money supply. The growth rate of money supply, during this period has increased compared to its values recorded in the same period of the previous year, as a result of the increase in the volume of deposits in national currency.

Public finances

National public budget revenues were up by 18.5% in the first semester of 2016. To the increase of the public budget revenues have vastly contributed tax revenues especially taxes and duties on goods and services which had a weight of 63.09 of total budget revenues which is specific to a consumer economy.

In semester I, 2017, the Republic of Moldova received grants in the amount of 84.4 mln. MDL, which is only 37.8% of the amount received in the last year. The most important grants were from international organizations while the governments of other countries transferred only 13.5% of the grants received in the first semester of 2016. The external granters reduced the volume of funding by grants given that there is no predominantly political stability in the country and the Government's agenda on reforms coordinated with the EU is not fulfilled.

National public budget expenditures in semester I of 2017 amounted to 25 010.7 mln. lei, by 15.2% (3 302.2 mln. lei) more compared to the same period of the previous year. The highest weight in total expenditures hold those made for funding the social sector -70.7%, including social

protection -38.4, health care -13.3%, education -18.7% and the lowest ones, under 1% are funds of environmental protection activities.

National public budget execution in semester I of 2017 has resulted in a deficit equating to 101.5 mln. MDL. The public sector debt decreased by 1 097.7 mln. MDL or by 1.8% compared to the end of 2016 and amounted to 58 248.1 mln. MDL. This decrease is due to the reduction of the external public debt resulted from the appreciation of the national currency.

According to the data on GDP foreseen for 2017, **the weight of public sector debt in GDP** on June 30, 2017 accounted for 39.3%, recording a decrease of 4.7 p.p compared to the end of 2016 and an increase of 6.0 p.p in relation to the same period of 2016.

Banking sector

The major problem of the banking sector activity during the first semester of 2017 is the **decrease in the value of gross loan portfolio** granted by the commercial banks which registered a depreciation of 1.57 percent or 544.7 mln. lei. The decline in the pace of lending was not associated with the decrease of the level of portfolio risk. Thus, in semester I of 2017, the value of non-performing loans amounted to 6 034.22 mln. MDL up by 36 mln MDL or 0.6% compared to June 30, 2016 and by 364.4 mln. MDL or 6.07% against January 1, 2017. At the same time, there is observed the migration of loans from legal entities to individuals and from foreign in national currency due to the appreciation of Moldovan leu.

Rise in asset value, was unfortunately due especially to the increase in liquidities. Thus, the weight of liquid assets in total assets (liquidity principle II) registers 51.30%, more by 6.81 p.p. compared to June 30, 2016 and by 2.1 compared to January 1, 2017 and by about 2.5 times more than the minimum requirement set by the NBM. The continuous growth of liquidities in the banking system is the result of tightening the monetary policy promoted by the NBM which aims to sterilize the excess of money supply in order to maintain the inflation target however it affects the ability of banks to lend. As long as the NBM will continue to manage the surplus liquidity in order to support a proper functioning of interbank money market through open-market operations the banks will be discouraged from placing in loans which at a similar return could produce a higher risk than state securities and the increase of required reserve ratio will only act to the increase of the liquidity requirements maintained on the banks' accounts at the NBM. In this case it is important to express a decision which could clearly establish the monetary policy option of the NBM – maintaining the inflation target or increasing the banking system's ability to lend and implicitly, the economic growth of the country.

Problems of the banking system, previously identified are reflected by the financial result made by banks in semester I, 2017. In June 2017 the banks' profit in the entire banking system amounted to 956.73 mln. MDL, increasing by 102.3 mln. MDL or 11.98% compared to the same period of the last year. The increase in profit is due to the decrease in interest expenditures (deposits) by 39.9 percent, decline of depreciation on financial assets by 76.6 percent and growth of non-interest revenues by 5.4 percent (mostly from duties and commissions by 11.8 percent). Thus, **the growth of bank's profit** is not determined by the increase of returns from loans, the share of net interest revenue in total bank's revenue remaining – at the level of 40.4%, attesting a very low involvement of banks in funds redistribution activity and implicitly in the economic growth by providing the real economy with the necessary resources.

The priorities of the Moldovan banking sector remain to ensure the transparency in structure of shareholders' structure and to improve enforcement of the prudential supervision norm by domestic banks. The largest commercial banks of the Republic of Moldova remain under intensive supervision by 3 more months and on July 1, 2017 when the deadline for sale of equity stake of 41.09% of B.C. „Moldova-Agroindbank” S.A., the NCFM has extended it for another 6 months because there was not found yet any buyer.

External sector

Balance of payments. In semester I, 2017, the current account of the balance of payments of the Republic of Moldova was increasing by 77.8% compared to the same period of the previous year. In semester I, 2017 the current account has registered a deficit of 307.22 mln. USD.

The total stock of foreign direct investment of the Republic of Moldova was on the rise amounting to 3958.60 mln. US dollars in semester I, 2017.

The volume of remittances from abroad made through licensed banks in favour of individuals in semester I was increasing. Compared to semester I of 2016 the volume of remittances were up by 9.6%, after two years of decline.

External trade in goods in semester I, 2017 has registered an increase of 14.5%, compared to the similar period of the last year. The exports of goods, during January-June 2017 amounted to 1028.2 mln. US dollars, up by 13.6% in comparison with the same period of 2016. The imports of goods, in semester I of 2017 as against the similar period of the previous year increased by 15%.

In the first semester of 2017, the considerable gap in the development of exports and imports led to the formation of a **deficit of the balance of trade** in the amount of 1153.2 mln. USD by 190.3 mln. USD (+19.8%) higher compared to the same period of 2016.

Business environment

In S I, 2017, the number of enterprises registered by the State Registration Chamber increased by 8.2% sply. According to the data of the State Registration Chamber, 3192 new enterprises were recorded in the State Register in the first semester of 2017.

At the same time, the growth trend in the number of deregistered enterprises continues. Thus, in S I, 2017 the number of deregistered enterprises has marked the highest increase compared to the similar period of 2011-2016. The number of deregistered enterprises in the State Register in S I, 2017 has increased by 85.9% sply amounting to 4166 enterprises.

Social sector

Demographic situation. In quarter II of 2017, according to the data of the NBS, the total number of live births in the country amounted to 16868 pers., down by 7.6% compared to the same period of the previous year, the birth rate amounted to 9.5 live births per 1000 inhabitants. The number of deaths accounted for 19775 pers., declining by 1.9% sply and mortality rate reached 11.2 deaths per 1000 inhabitants. The number of deaths of children aged under 1 year in the second quarter of 2017 equated to 174 cases and reduced by 5 cases compared to the similar period of the last year. The natural decrease in Q II, 2017 numbered - 2907 persons or - 1.6 persons per 1000 inhabitants. The natural decrease in quarter II, 2017 became the most pronounced in the last 7 years. The total number of *marriages* in the country, in Q II, 2017 amounted to 8060, declining by 6.9% against the same period of the last year and marriage rate equated to 4.6 marriages per 1000 inhabitants. In the case of divorces in the country, the indicator was 4980, decreasing by 10.7% compared to the same period of the last year. The divorce rate equaled 2.8 divorces per 1000 inhabitants.

Labor market. In quarter II of 2017, *the economically active population* amounted to 1316.0 thousand pers., reducing by 3.4% or by 46.9 thousand persons as compared with the same quarter of the previous year. At the same time, *the activity rate* of population accounted for 44.1% declining by 1.6 p.p. sply. *Employed population* was 1270.3 thousand persons in Q II of 2017 decreasing by 2.9% sply. *Employment rate* of population aged 15 and over reached 42.6%, declining slightly compared to the level in the same period of the last year (43.8%). *Number of unemployed*, according to the International Labour Office amounted to 45.7 thousand persons, by

16.9% lower sply (55.0 thousand). *Unemployment rate* in the country in Q II, 2017 was 3.5%, diminishing by only 0.5 p.p. sply (4.0%). *Inactive population* in the country (aged 15 and over) in Q II of 2017 amounted to 1667.9 thousand persons being 55.9% of total population of this age reducing by 1.5 p.p. sply. NEET group held a weight of 28.2% of population in the age group of 15-29 years. People who do not want to work amount to 79.7% of inactive population (aged 15 and over).

Labor remuneration. Quarter II of 2017 is characterized by an increase of 13.2% of the average monthly nominal salary (5636.7 MDL) compared to the same quarter of the last year and the average monthly real one – by 5.7%. In the budgetary sector, the average monthly salary (4924.2 MDL) has increased by 13.2% sply, in a greater measure than the average monthly salary in the real sector (5924.7 MDL), which increased by 13.0% sply. The highest-paying economic activities are: Information and communications (12553.8 MDL), Financial and Insurance activities (10503.2 MDL) and Production and supply of electricity, heat energy, gas, hot water and conditioned air (9981.9 MDL).

Disposable revenues of population per month in quarter II, 2017 amounted to 2227.6 MDL on average per person, up by 9.8% sply. In real terms, the revenues of population increased by 2.5%. The most important sources of revenues remain to be: salaries (43.2%), social benefits (22.0%) and remittances from abroad (17.7%).

Average monthly consumption expenditures of population in Q II, 2017 amounted to 2245.3 MDL per person, increasing by 8.0% against Q II of 2016. In real terms adjusted to the consumer price index, the expenditures of population rose by 0.8% sply. The highest part of expenditures continues to be directed towards: food consumption (44.3%), housing maintenance (18.4%) and clothing and footwear (10.4%).

Social protection of population. According to the data of the National Social Insurance House, the number of pensioners registered with the social protection bodies on July 1, 2017 amounted to 712.5 thousand persons or by 28.8 thousand persons more compared to July 1, 2016. The average amount of the monthly pension set on July 1, 2017 amounted to 1484.72 MDL, up by 16.1% compared to July 1, 2016.

Subsistence minimum. In semester I of 2017 the subsistence minimum was on average 1866.3 MDL per person monthly, rising by 2.9% sply. In case of cities it accounted for 2015.6 MDL, by 2.2% more sply. The subsistence minimum was 1836.7 MDL in towns by 4.5% more sply. In villages it amounted to 1809.9 MDL, by 2.4% more sply. The co-ratio between the average monthly salary on economy and subsistence minimum for working age population in semester I of 2017 was by 2.7 times compared to 2.5 times sply.

Chapter I PRODUCTION¹

Gross domestic product

In the first semester of 2017, the gross domestic product has registered a nominal value of 63921 mln. MDL, at current market prices, having a net higher value by 2.8% in real terms against the same period of the previous year.

Table 1.1. Gross domestic product in 1st half of 2017

	Quarter I	Quarter II	Semester I
Million lei at current prices	29 670	34 251	63 921
in % compared to:			
similar period of last year	103.1	102.5	102.8
previous quarter	99.4	100.7	-

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

These increases were mainly contingent on the wholesale and retail trade; maintenance and repair of vehicles and motorcycles; transport and storage; accommodation and food service activities which have contributed to the GDP increase by 1.5%, to the GVA increase by 7.2%, holding a weight of 21% in its structure. At the same time, constructions and information and communications had a 0.2% contribution to the GDP increase contributing by 3.8% and 6.4%, respectively to its formation, the GVA values have also increased by 4.5% and 2.8%, respectively.

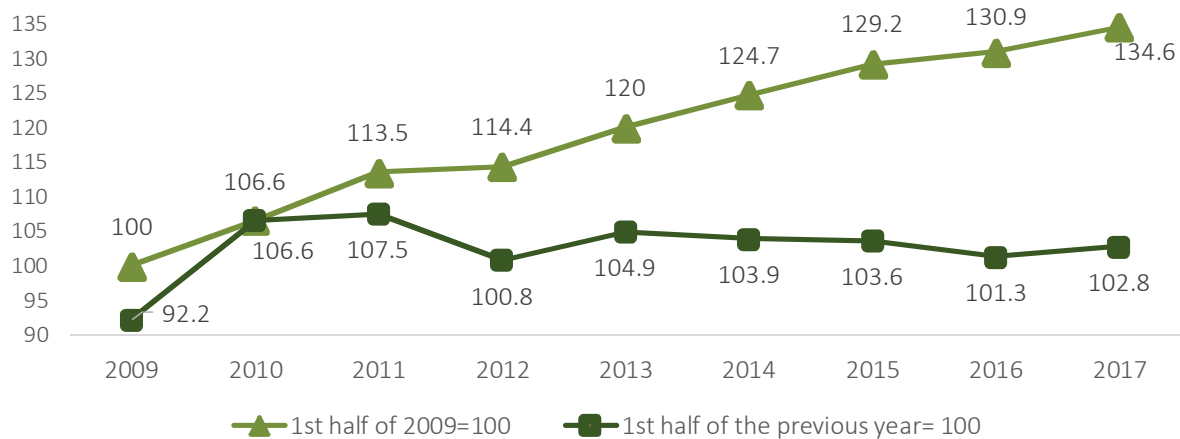


Figure 1.1. GDP dynamics, January-June 2009-2017, %

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

During the same period, the volume of taxes on products has increased against the same period of the previous year (+6.4%), thus contributing to the GDP increase by 1.1%, holding a weight of 17.7%.

¹ 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.

At the same time, several activities have negatively contributed to the GDP formation. Agriculture, forestry and fishing holding a weight (to GDP formation) of 4.9% have contributed to a decline in GDP by 0.2% and GVA by 0.8%. Public administration and defense; mandatory social insurance; education; health and social security have contributed to a decline in GDP by 0.1% with a weight of 15.3%, thus reducing the GVA by 0.8%.

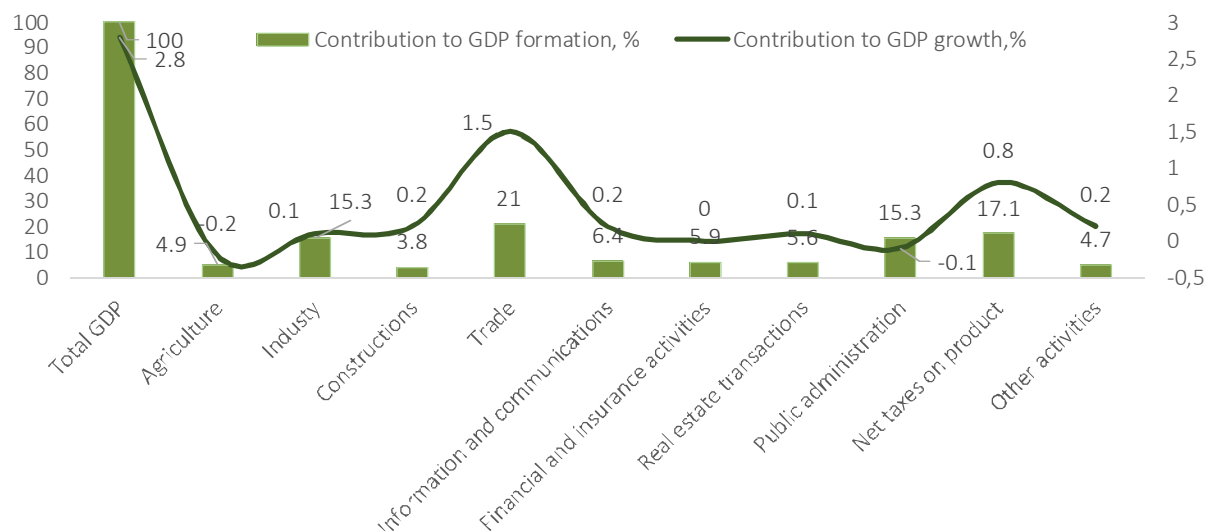


Figure 1.2. Contribution of resource components to GDP formation in 2017 and to its increase compared to 2016, %

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

Growth by *categories of uses* is especially due to the *household final consumption* (HFC) with 3.5%, which contributed to the GDP formation by 87.8% and a 4% increase in the volume and a 1.1% in the *gross fixed capital formation* (GFCF) holding a 22.1% contribution to the GDP formation and a 4.8% increase in the volume.

At the same time, the net export of goods and services has negatively influenced on the GDP physical volume index contributing by 4.1% to its reduction. This is due to a more pronounced contribution of imports of goods and services which reached 79.4% against exports of goods and services, with a weight of 45.4%.

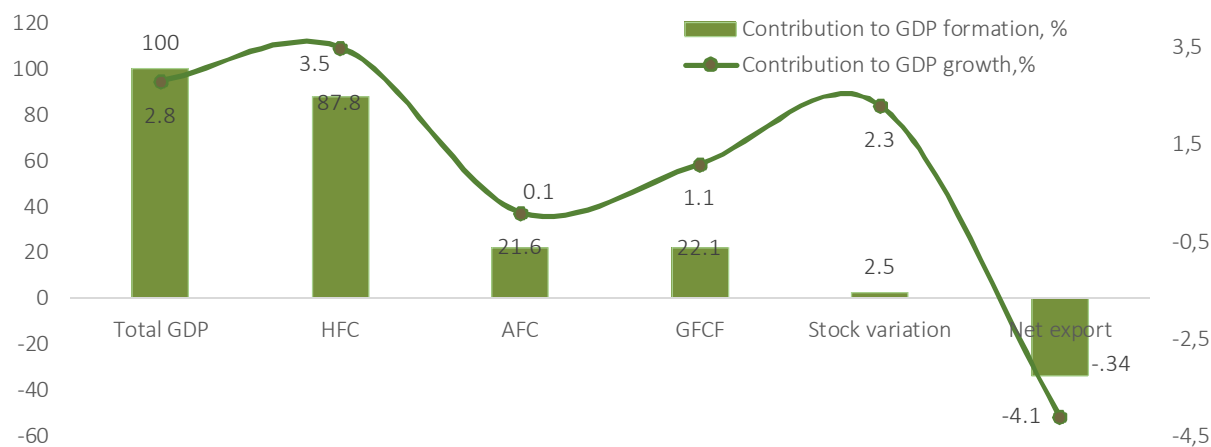


Figure 1.3. Contribution of components by categories of uses to GDP formation and increase in January-June 2017 compared to the same period of 2016, %

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

Industry

The volume of industrial production in semester I, 2017 is up by 0.3% (gross series) compared to the similar period of the last year. This was mainly due to the production of mining industry and manufacturing industry which grew compared to the same period of the previous year.

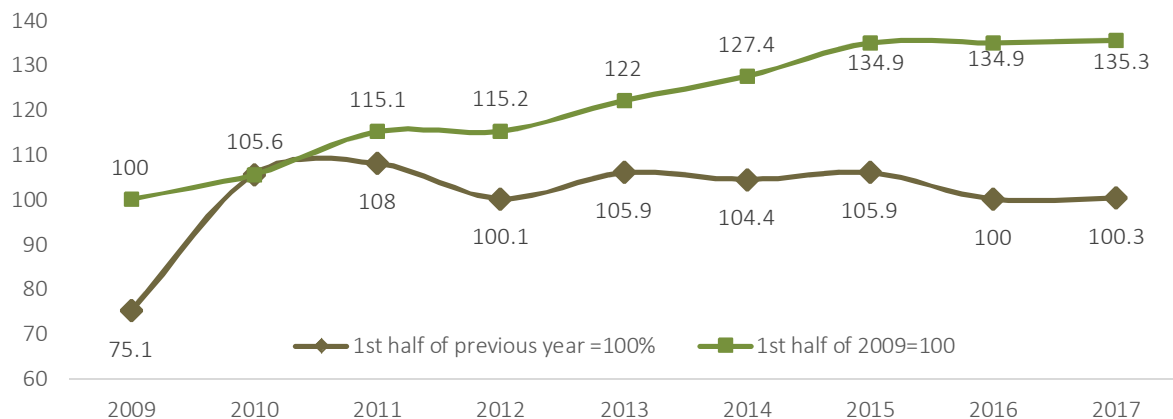


Figure 1.4. Indexes of industrial production during January-June 2009 - 2017, %

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

In the first semester of 2017, the highest increase was obtained by *mining industry*: +1.6% compared to the similar period of the previous year.

Manufacturing industry, experienced also increases during this period, but more moderate, reaching values by 0.4% higher compared to the same period of the previous year. In the first semester of 2017, the most significant increments have been obtained by the following groups in manufacturing industry: "Manufacture of rubber and plastic products" (+23.6%), "Manufacture of electrical equipments" (+16.8%), "Manufacture of beverages" (+8.6%), "Manufacture of pharmaceutical preparations" (+7.7%) and "Manufacture of wood and products of wood and cork except furniture" (+7.7%). However, reductions on several categories of manufacturing industry have also took place, the highest ones being registered by "Manufacture of other means of transportation" (-90.3%), "Manufacture of tobacco products" (-39.7%), "Manufacture of textiles" (-17%), "Manufacture of paper and paper products" (-13.9%) and "Manufacture of other non-metallic mineral products" (-8.8%).

A reduction has also took place in the production and supply of electricity, heat energy, gas, hot water and conditioned air which decreased by 0.5% compared to the same period of the last year.

Table 1.2. Industrial sector activity in January-June 2017

A	in % Jan.-June 2017
1	
INDUSTRY - TOTAL	100.3
MINING INDUSTRY	101.6
MANUFACTURING INDUSTRY. of which:	100.4
Food industry	101.8
Manufacture of beverages	108.6
Manufacture of tobacco products	60.3
Manufacture of textiles	83.0
Clothing manufacturing	99.6
Leather tanning and finishing; manufacture of travel goods and leather	96.4
Manufacture of wood and products of wood and cork	107.7
Manufacture of paper and paper products	86.1

Table 1.2 – continue

A	1
Printing and reproduction of recorded media	106.6
Manufacture of coke products and crude-oil processing products	94.9
Manufacture of chemicals and chemical products	101.7
Manufacture of pharmaceutical preparations	107.7
Manufacture of rubber and plastic products	123.6
Manufacture of other non-metallic mineral products	91.2
Metallurgical industry	98.5
Metal construction and metal products industry	101.4
Manufacture of computer, electronic and optical products	100.4
Manufacture of electrical equipments	116.8
Manufacture of machinery, equipments and appliances n.c.a.	96.1
Manufacture of motor vehicles, trailers and semi-trailers	98.6
Manufacture of other means of transportation	9.7
Manufacture of furniture	102.6
Other industrial activities n.c.a.	94.8
Repair, maintenance and installation of machinery and equipments	95.8
PRODUCTION AND SUPPLY OF ELECTRICITY, HEAT ENERGY, GAS, HOT WATER AND CONDITIONED AIR	99.5

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

Agriculture

In the first semester of 2017, for the first time since 2012 the agricultural production broke the growth pace registering a 5% reduction (in comparable prices) compared to the similar period of the previous year.

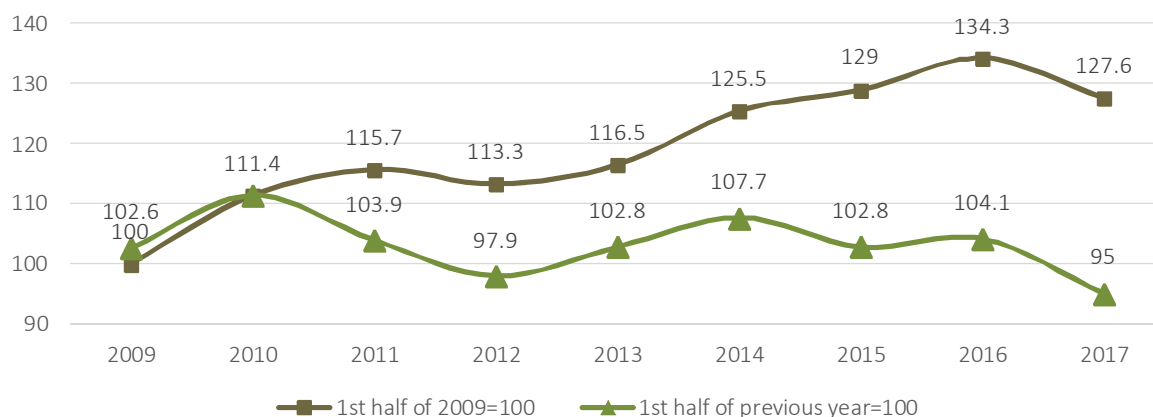


Figure 1.5. Dynamics of agricultural production in January-June 2009-2017, %

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

This is vastly due to the reduction of vegetable production by 28.4%, which hung on the delay in harvesting crops as a result of the unfavorable weather conditions in spring of this year. However, livestock production showed an insignificant decrease of 0.4%, compared to the same period of the previous year.

The livestock sector in semester I of this year has seen both increases and reductions. Thus, in all types of households there was registered an amount of 348.4 mln. eggs showing an increase of 6.6% compared to semester I of 2016, production (breeding) of cattle and poultry (in live weight) has registered values of 81.1 thousand tonnes, by 0.8% less compared to the similar period of the previous year and milk production amounted to 223.9 thousand tonnes – by 3.9% less sply.

During the same period, the highest part in livestock sector of animal production was produced in *households* holding a share in milk production of 94.1%, in production (breeding) of cattle and poultry (in live weight) of 55% and eggs production – 53%, respectively.

In *agricultural enterprises* (including peasant (farm) enterprises) holding animals), in semester I of 2017 compared to the same period of 2016 there was recorded a growth in the volume of breeding of cattle and poultry (in live weight) of 1.9%, in the volume of cow milk production of 1.1% and in the volume of poultry eggs of 7.9%.

Transport

During January-June, 2017 the volume of transported commodities by railway, road, fluvial and air transport enterprises reached 6576.6 thousand tonnes, by 22.5% more compared to January-June, 2016. This growth is due to the railway transport which increased by 32.7%, road transport – by 19.1% and air one by 2 times in comparison with semester I of 2016, however it still holds a very low share, of 0.006%, in total transported commodities. At the same time, there were recorded reductions, especially for commodities transported by river which decreased by 19.6% compared to the similar period of 2016.

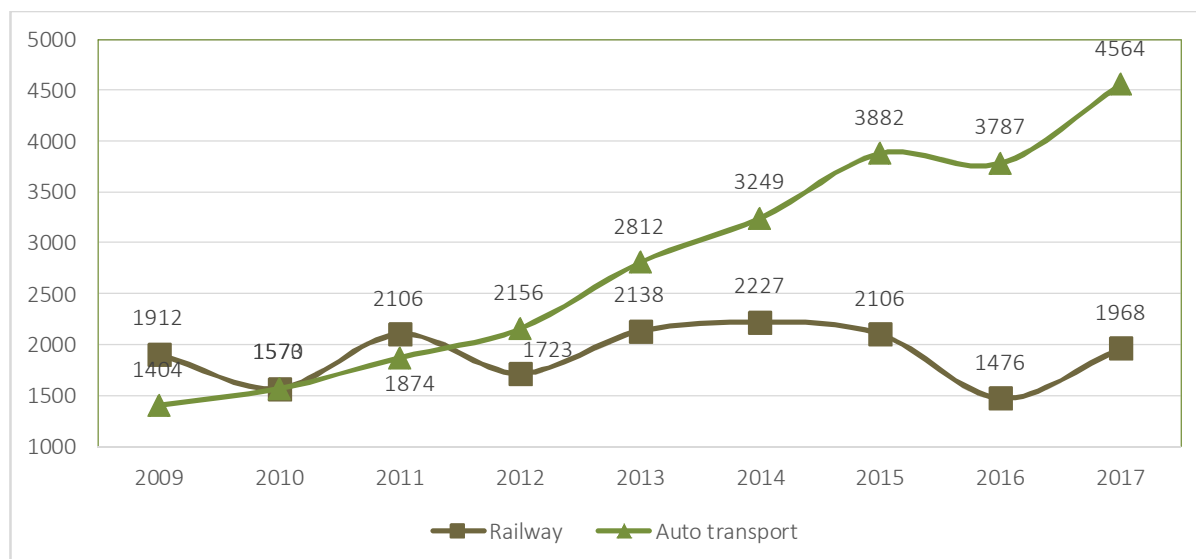


Figure 1.6. Transported commodities in January-June 2009-2017, thousand tonnes

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

By means of **railway transport**, 1967.9 thousand tonnes commodities were transported accounting for 29.92% of total transported commodities by all means of transport during this period. In semester I, 2016, this share reached 27.5%.

The highest share in transported commodities holds the **road transport**, by which 4564.3 thousand tonnes were transported in semester I of 2017 reaching a weight of 69.4% of total transported commodities. During the same period of the previous year this weight was reaching the weight of 71.5%.

The mileage co commodities by all means of transportation amounted to 1989.3 mln. tonnes-km, thus reaching higher values by 15.3% compared to semester I, 2016. The railway, road and air transports favoured this result showing increases of 31.1%, 11.6% and 18.7%, respectively. On the other hand, fluvial transport participated to the reduction of this result by 19.7%.

The road transport is the main source of passenger transport which in semester I of 2017 marked a weight of 96.7% of total transports. The number of passengers who chose to go by buses and

microbuses amounted to about 49.46 mln. passengers, by 2.1% less compared to the same period of 2016. The railway transport has been chosen by 930.7 thousand passengers, by 23.3% less compared to the same period of 2016. On the other side, the number of people who chose the air transport reached 697 thousand passengers exceeding the figure registered in semester I of 2016 by 55.3%.

Investment in fixed assets

In the first semester of 2017, the investment in fixed assets experience a slight increase of 2.5% (at current prices), compared to the similar period of the previous year, thus reaching the amount of 6175.6 mln. MDL (at current prices). This increase is especially due to the tangible assets holding a weight of 98.16% in total investment in fixed assets which resulted in an increase of 2.3% compared with the first semester of 2016, thus totaling 6062.3 mln lei. At the same time, the intangible assets increased by 13.9%.

Although, the main sources of finance of the investment activities remain the own resources of the economic agents and population, with a weight of 73% of total sources of finance in fixed assets, during the respective period they decreased by 3.6% compared to the first semester of 2016 and amounted to 4505.3 mln. MDL. The rest of sources of finance of the investment activities have seen increases, thus 3.6% of total investment were funded by the state budget, with an increase of 57.6% sply, followed by administrative-territorial authorities' finance with a 31.4% growth and a weight of 3.9% of total investment sources; foreign sources rised by 27.8%, holding a weight of 5.6% of total and by other sources, a weight of 13.9% was funded which compared with the similar period of the last year increased by 13.7%.

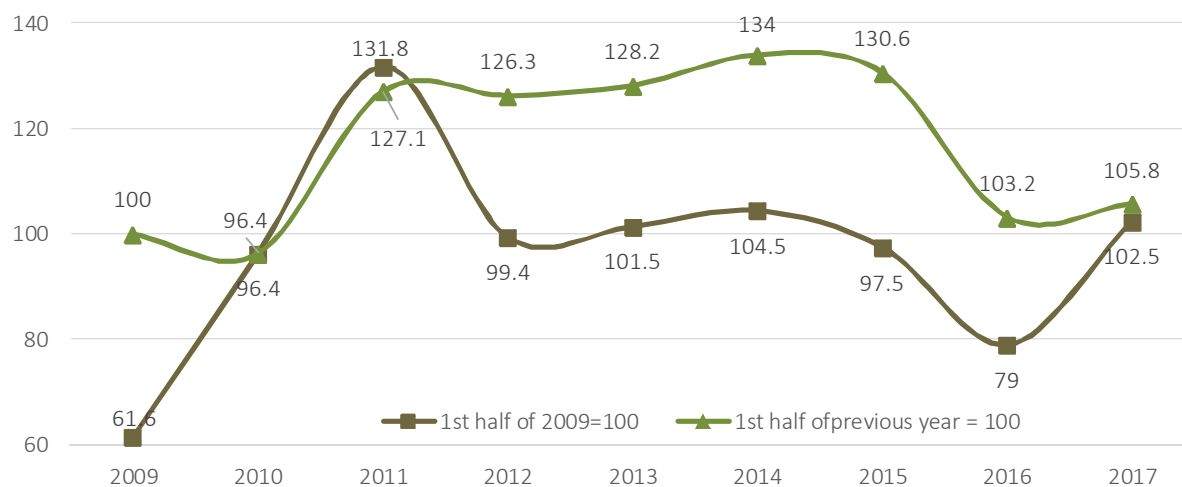


Figure 1.7. Dynamics in volume of investment in fixed assets in January-June 2009-2017, %

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

Table 1.3. Investment in long-term tangible assets by funding sources during January-June 2017

	Achievements. mln. lei	In % against:	
		Jan.-June 2016	total
A	1	2	3
Investment in fixed assets - total	6 175.6	102.5	100
of which. funded from:			
state budget	225.1	157.6	3.6
administrative-territorial units' budgets	238.8	131.4	3.9

Table 1.3 – continue

A	1	2	3
own resources	4 505.3	96.4	73
foreign sources	346.8	127.8	5.6
other sources	859.6	113.7	13.9

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

Trade and other market services

In the first semester of 2017, the enterprises of which the main activity is **retail trade** (excepting trade in vehicles and motorcycles) experienced a 4% reduction in turnover (in comparable prices) compared to the same period of the previous year.

The turnover of enterprises of which main activity is **market services provided to population** during January-June, 2017 increases by 3% compared to semester I of 2016.

The enterprises of which the main activity is **wholesale trade** (excepting trade of vehicles and motorcycles) during the respective period welcome a significant increase of 18.6% against the same period of the previous year. At the same time, the turnover for **market services provided especially to enterprises**, has also recorded a growth, however a lower one of only 8.8%.

Tourism

In the first semester of 2017, the travel agencies and tour operators have enjoyed an increase of the services provided for 110.4 thousand tourists, their number was up by 27% compared to the similar period of 2016. This was determined by the growth in the number of people participating in outbound tourism (+31.5%), inbound tourism (+16.2%) and domestic one (+13.4%).

Table 1.4. Tourists and excursionists participating in tourism through tourism agencies and tour operators

	Tourists and excursionists during January-June 2017	% against January-June 2016
TOTAL	110 356	127
Inbound tourism (foreign citizens visiting our country)	6 658	116.2
Outbound tourism (Moldovan residents travelling abroad)	85 012	131.5
Domestic tourism (Moldovan residents travelling within the country. for tourism purpose)	18 686	113.4

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

Of total inbound tourism having the benefit of the services of travel agencies and tour operators 76.6% arrived for recreation and leisure, 19.1% for business and professional purposes and 4.3% for treatment.

Almost a half (49.3%) of total non-residents visiting the Republic of Moldova during this period were from Romania (14.2%), the Russian Federation (10.3%), Austria (7.9%), Poland (6.3%), Ukraine (5.8%) and Greece (4.8%).

The main directions of departure abroad (accounting for 81.2%) of Moldovan residents through travel agencies and tour operators were: Turkey (32.6%), Bulgaria (20.4%), Romania (18.4%) and Greece (9.8%).

During the analyzed period, the domestic tourism had 18.7 thousand participants marking a 3.4% growth sply. The domestic tourism was especially organized by travel agencies and tour operators from Chisinau municipality (50.1%), development regions of Center (23.6%) and South (21.9%).

Industrial and investment activity in districts of the Dniester River and Bender municipality²

According to the information disseminated by the statistical body of the Transnistrian region, in semester I of 2017, the enterprises in the region to the left of the Dniester River and Bender municipality manufactured industrial production by 5.3% less compared to the same period, last year.

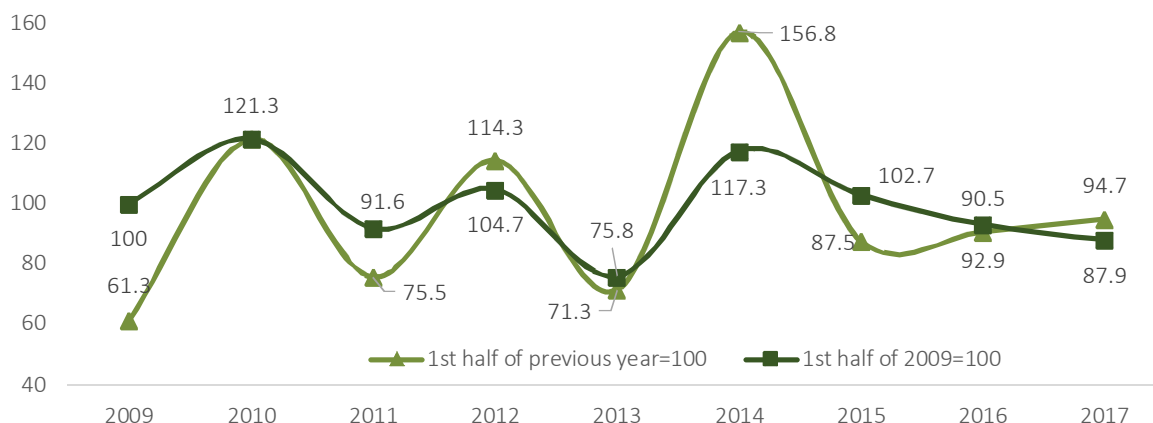


Figure 1.8. Indexes of industrial production in January-June 2009-2017, %

Source: According to the data of the statistical body of the region to the left of the Dniester River.

During the analyzed period, the volume of investment has reduced by 33.2% compared to the I semester of 2016, however compared to the same period of 2008 this decrease accounts for 24.32%.



Figure 1.9. Dynamics of investment in fixed assets in January-June 2009-2017, %

Source: According to the data of the statistical body of the region to the left of the Dniester River.

The investment expenditures in both construction and assembly works and equipments, machinery and means of transportation have continued to decrease, thus reaching the values of -22.1% and -31.2%, respectively.

² 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>

During the respective period, the volume of construction works made in enterprises increases by 22.8% compared with semester I of 2016. Thus, there was also recorded a 25.6% increase of dwellings put into commission of which 29.8% belong to urban environment.

Retail trade and services provided to population have significantly decreased, reducing by 6% and 1.3%, respectively compared to the similar period of 2016.

Chapter II PRICES, EXCHANGE RATES AND MONETARY POLICY

2.1. Prices and exchange rates

Prices

In the first semester of 2017, the consumer price index has increased by 5.7%, declining by 3.8p.p. against the same period of the previous year. During the same period, there have been registered the following increases for CPI components: food products – 6.5%, non-food products – 4.8%, services – 5.6%.

In quarter II, 2017 the growth rate of CPI was 7.1%, decreasing by 0.8 p.p compared to the same period of the previous year. In April-June, 2017 there have been registered the following increases for CPI components: food products – 8.4%, non-food products – 4.9%, services – 8.2%.

In the first half of 2017, the annual inflation rate stressed the upward trend, with monthly developments increasing. The growth rate of prices in April, May and June, 2017 was 6.4%, 7.4% and 7.3% sply. During this period, the rise in prices was especially due to the rise in prices for several food products as well as adjustment of some tariffs for regulated services.

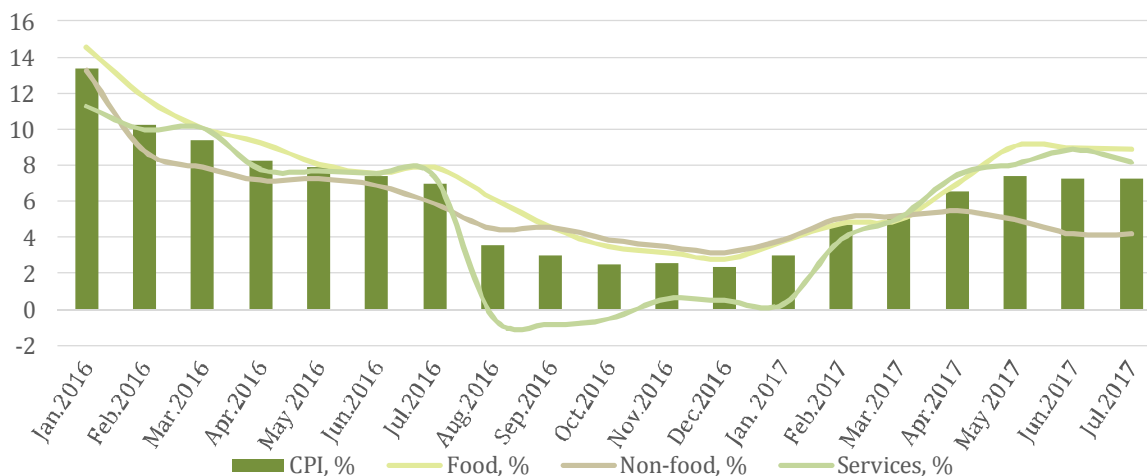


Figure 2.1.1. Annual growth rate of CPI and its components, %

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

In the second quarter of 2017, the prices of food products have increased by 8.4%, by 0.1 percentage points above the level recorded in quarter II of the previous year (in monthly expression, compared to the similar period of the last year the following increases have been recorded: in April – 7%, in May – 9.1%, in June – 9%). In quarter II of 2017, there have been considerable rises in the prices of vegetables by 24%, including cabbage by 14.6%, tomatoes – 24.6%, potatoes – 19.2%; eggs by 28.2%; prices of fresh fruits rose by 17.2% etc. There have been registered decreases in the prices only in case of onion, carrot and wheat and maize flour.

In quarter II of 2017, the prices of non-food products have increased by 4.9% sply, the value of this indicator dropping by 2.2 p.p. against the same period of 2016 (in monthly expression, compared to the same period of the previous year, the increases were: 5.5% in April, 5% in May

and 4.2% in June). During this period, there were recorded increases in prices of most non-food products, excepting vehicles and drugs. The highest increases in price were registered for: cigarettes – by 27.7%, footwear – by 9.1%, fuels – 9.7%. The increase in prices of non-food products was mainly due to the rises in price of regulated products as well as the changes made in fiscal policy which led to higher excises duties on several products.

In quarter II of 2017, the services have registered essential rises in price advancing by 8.2% sply, by 0.5 p.p. over the level of this indicator in 2016 (in monthly expression, compared to the similar period of the previous year there were registered the following increases: in April – 7.5%, in May – 8.1% and in June – 8.9%). In the reference period compared to quarter II of the last year, the highest rises in price were recorded for health services – by 75.1%, education services – by 11.6% and public utility services – by 4.8%, including: water and sewage by 11.4%, hot water by 11.9% and central heating by 12.5%. The increase in health services tariffs adopted by the Government in the previous quarter and rise in other regulated prices have vastly contributed to the rise in service prices.

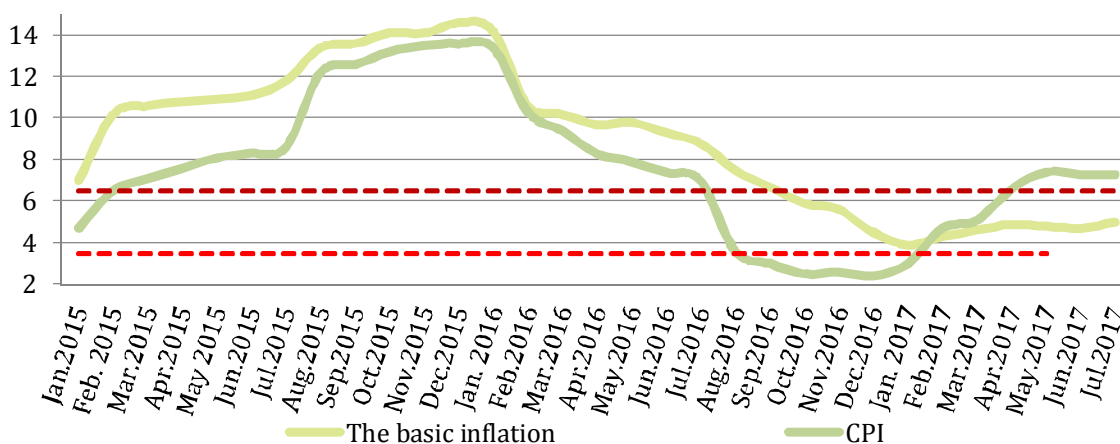


Figure 2.1.2. Annual growth rate of CPI and core inflation, %

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

Since the beginning of 2017, core inflation registers a deceleration compared to CPI dynamics. In April-June, 2017 the core inflation index amounted to 4.8% sply decreasing by 4.8 p.p compared to the same period of 2016. In monthly expression, compared to the same period of last year, the growth rate of core inflation has recorded the following rises: in April – 4.9%, in May – 4.8% and in June – 4.7%. The decrease of core inflation was mainly due to the slight appreciation of national currency against USD and single European currency which has partially mitigated the rise in regulated prices and amendments in state fiscal policy.

In quarter II of 2017, the dynamics of industrial production prices has registeres a slight deceleration. In April-June, 2017 the growth rate of annual index of industrial production prices has dropped compared to the same period of the previous year by 1.6p.p. reaching 3.6%. In this industry there were recorded the following increases: mining industry – 1.9%, manufacturing industry – 3.1%, energy sector – 8.7% sply. During this period, there were recorded rises in tariffs of production, supply and distribution of electricity and heat energy services.

Construction prices have reistered a slight decrease. The growth rate of construction prices in quarter II, 2017 declined by 3 p.p amounting to 4.6% against the similar period of the previous year.

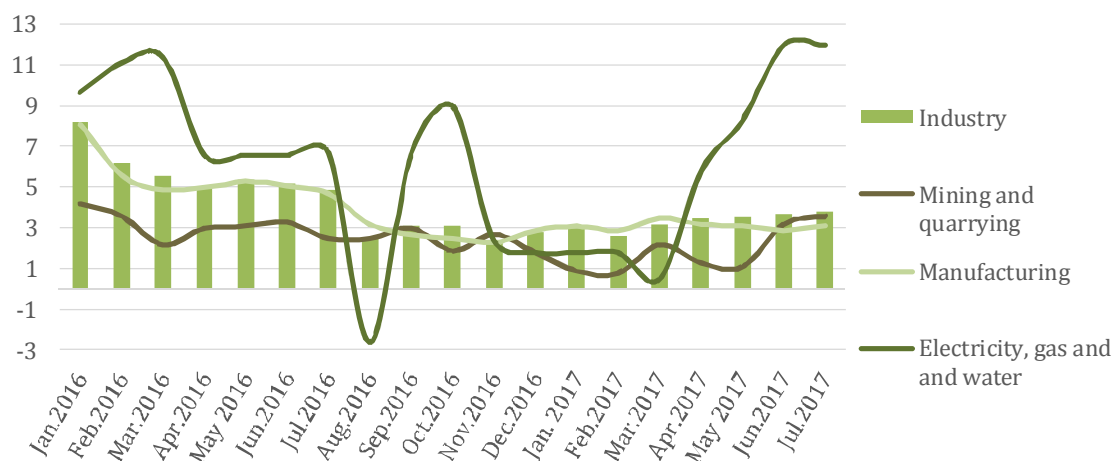


Figure 2.1.3. Annual growth rate of industrial production prices and its components, %
Source: According to the data of the National Bureau of Statistics.

A decrease of pace has also been recorded in dynamics of agricultural producer prices. In quarter II of 2017, the producer prices for agricultural products declined by 1.1% against the same period of 2015. During the reference period, the vegetable products, whose prices reduced by 2.4% sply have especially contributed to the decrease of annual growth rate of this category of prices. At the same time, prices of livestock products have registered a 0.6% growth compared to the same period of the previous year.

An upward dynamics was attested for dynamics of fuel prices. In quarter II of 2017, the growth rate of fuel prices have recorded 9.7% sply which shows an increase of this indicator by 13.1 p.p.sply (in monthly expression, compared to the same period of the last year the fuel price indices have registered the following values: in April – 12.2%, in May – 9.8% and in June – 7.2%). There is seen a monthly decreasing dynamics of these prices, i.e. the decline in fuel prices on international markets and appreciation of national currency in relation to USD during this period.

Exchange rates

The attenuation of the exchange rate fluctuations of the national currency since the beginning of this year ended in a slight appreciation in quarter II. In quarter II, 2017 the average nominal exchange rate against the major reference currencies was 20.6 MDL/EUR and 18.8 MDL/USD, appreciating compared to the similar period of the last year by 7.9% against single European currency and by 5.3% in relation to US dollar.

In monthly expression, the average exchange rate of the national currency against the single European currency had an upward development, amounting to: 20.7MDL/EUR – in April, 20.6 MDL/EUR – in May and 20.4 MDL/EUR – in June. The development of the average exchange rate of leu against USD during quarter II, 2017 was 19.4 MDL/USD in April, 18.7 MDL/USD in May and 18.2 MDL/USD in June.

The appreciation of the nominal exchange rate in Q II, 2017 consolidated also the position of the real exchange rate of the national currency. In real terms, Moldovan leu has appreciated during this period by 10.3% in relation to USD (in comparison with the same period of the last year) and by 10.3% against euro sply.

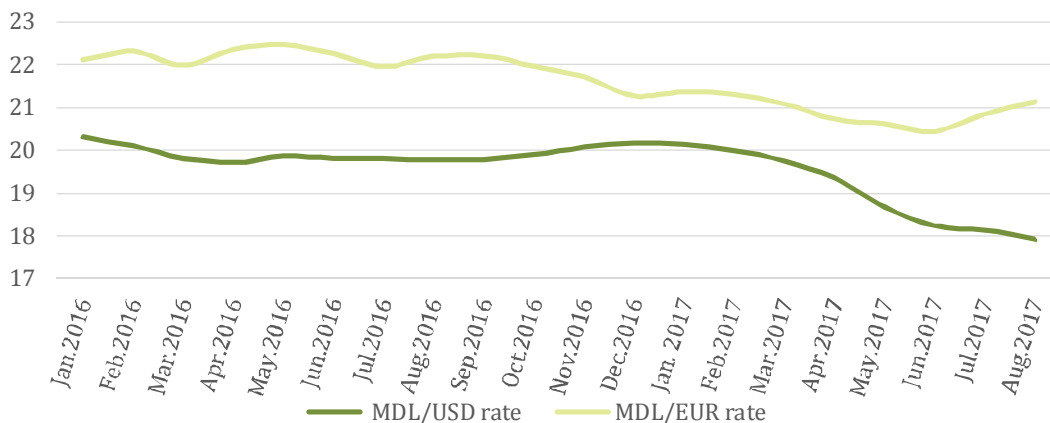


Figure 2.1.4. Development of average monthly nominal exchange rate of MDL in relation to USD and EURO

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

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

Since the beginning of 2017, the annual inflation rate in the region to the left of the Dniester River is situated on a relatively upward trend.

In quarter II of 2017 the annual growth rate of CPI amounted to 6.1% growing by 5.7 p.p. compared to the similar period of 2016. The highest inflationary pressures on CPI during this period came from prices of food products, which is considered to be seasonal by local authorities.

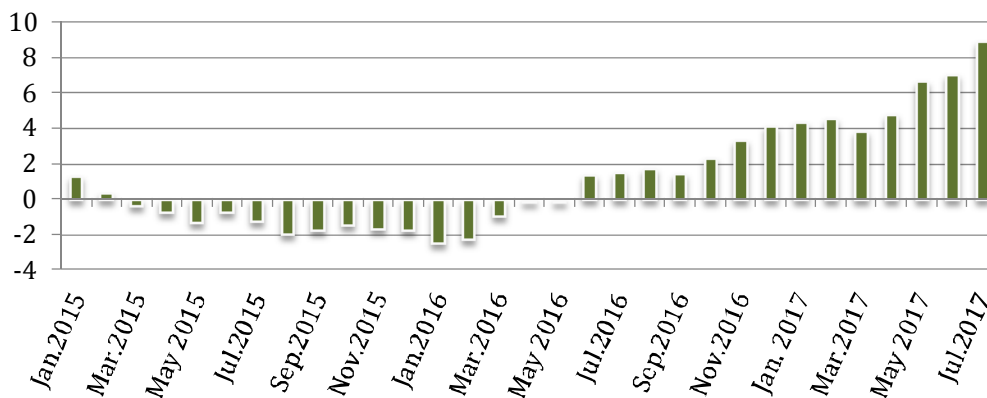


Figure 2.1.5. Annual growth rate of CPI in region from the left side of the Dniester River, %

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

The situation on the domestic foreign exchange market where the exchange rate set by the Central Bank and foreign exchange intermediaries on the market reached a maximum deference had a major impact on the economic situation in the region to the left of the Dniester River.

Under these conditions, the Central Bank has intervined risind in June 2017 the fixed exchange rate of US dollar from 11.30 to 15.00 rubles. As a result of these amendments, the real effective exchange rate index has decreased which is the main index in decision making on foreign exchange policy.

After the interventions of the Central Bank, at the end of semester I, 2017 the ruble has slightly depreciated. The average nominal exchange rate, during the reference period was 13.06 rubles per one Euro, depreciating by 6.4% against the value of the similar period of the last year.

2.2. Monetary policy

The slight signs of revival of the economic situation in the country and decrement of inflationary pressures encouraged in the first half of 2017 the National Bank of Moldova to loose monetary conditions in the country.

Monetary policy instruments

By the end of quarter II, 2016, the National Bank of Moldova maintained the same monetary policy rates, which reduced compared to the same period of the previous year by about 9 p.p.

In quarter II, 2017 the base rate maintained at the level set since November 2016 amounting to 9%, declining by about 6 p.p. against its level during the similar period of the previous year. The interest rate on overnight loans is still maintained at the level of 12% and interest rate on overnight deposits is 6%. At the beginning of quarter III of 2017, the NBM made further reductions in monetary policy rates.

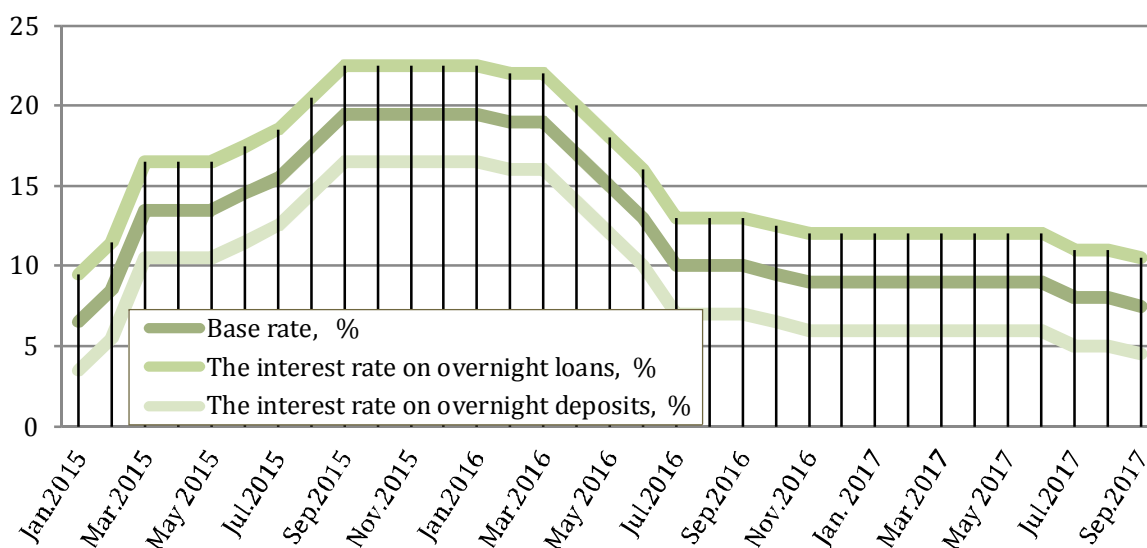


Figure 2.2.1. Development of interest rates on monetary policy instruments of the National Bank of Moldova during 2015-2017

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

Required reserves

The decision to reduce the monetary policy rates did not equally affect the ratio of required reserves. Regardless of the fact that the ratio of required reserves froze longer than a year, over a third of the commercial banks' resources which could be directed towards lending and funding the national economy, the NBM makes new increases having no other opportunities to sterilize the excessive liquidities in the economy.

In quarter II of this year, the NBM has gradually increased the reserve requirements ratio from means attracted in Moldovan lei and non-convertible currency by 5.0 percentage points up to 40% of computation base under the influence of intensifying the inflationary pressures.

The ratio of required reserves from means attracted in convertible currencies remained unchanged at the level of 14%.

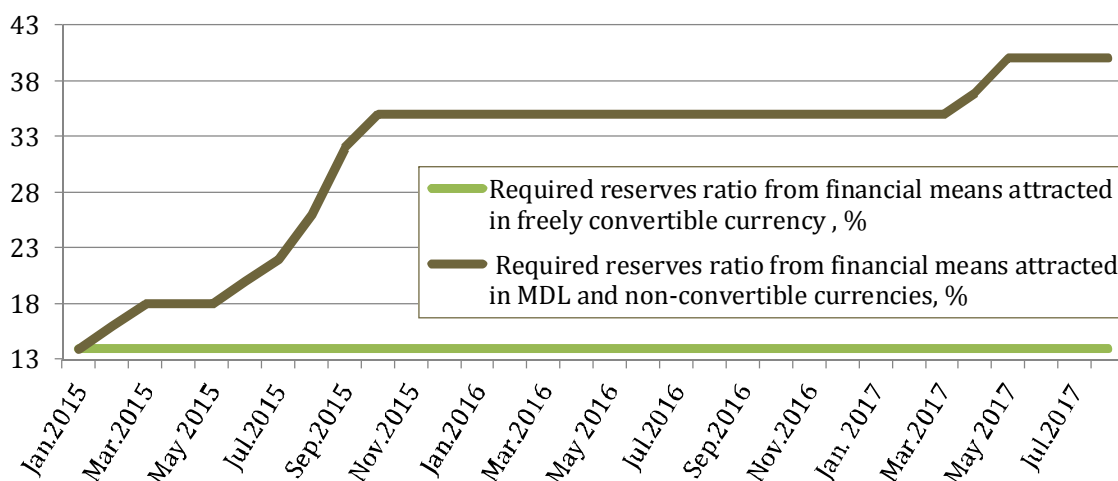


Figure 2.2.2. Ratio of Required Reserves at the NBM, %

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

Open market operations and standing facilities

In quarter II of 2017 in order to sterilize the excessive liquidities on the market, the volume of the NBM sterilization operations has considerably increased. During quarter II of 2017 the average monthly balance of sterilization operations was higher compared to the same period of the previous year (up by 3.5 bln. MDL) amounting to 5.5 bln. MDL. The highest balance was recorded in June 2017 when the average daily balance of the NBC sales was – 5.8 bln. MDL.

In quarter II of 2017 compared to the similar period of the previous year, the demands of "overnight" deposits doubled practically, the average daily balance amounting to – 1105 mln. MDL, 1126 mln. MDL and 1092 mln. MDL, respectively for April, May and June. The request for "overnight" loans facility from the NBM on behalf of the commercial banks came only in April and amounted to 8.2 mln. MDL.

Foreign exchange market interventions

In quarter II of 2017, the NBM has intervened on the foreign exchange market especially as a buyer of foreign currency and the volume of foreign currency purchases amounted to about 99.7 mln. USD. These interventions were in accordance with the monetary policy promoted by the NBM and aimed to supply the official reserve assets.

Table 2.2.1. NBM activity on interbank foreign exchange market during January 2016–August 2017

Month	Volume of purchases, (equivalent mln. USD)	Volume of sales, (equivalent mln. USD)
A	1	2
January 2016	0.38	-
February 2016	0	-
March 2016	11	-
April 2016	108.8	-
May 2016	47.5	-
June 2016	20.6	-
July 2016	74.4	-
August 2016	94.3	-
September 2016	62.9	-
October 2016	5.98	10.7

Table 2.2.1 – continue

A	1	2
November 2016	0	17.5
December 2016	0.59	-
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	-

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

The volume of the official reserve assets at the end of the first semester of 2017 has increased by 183 mln. USD since the beginning of this year and continues to rise. The balance of the official reserve assets at the end of quarter II, 2017 equated to 2.38 bln. USD, increasing by 27.4% sply. The increase in the stock of the official reserve assets was due to the NBM's interventions on the domestic foreign exchange market in foreign currency purchases, registration of loans and grants in favour of Ministry of Finance of Moldova, revenues from managing foreign exchange reserves etc.

Monetary indicators

In quarter II, 2017 the growth rate of money supply loosely (M3) decelerates slightly however keeping its positive value. The main contribution to the money supply increase have had the components of the monetary aggregate M1, especially demand deposits in national currency.

The growth rate of money supply, during this period has increased against its values recorded in the similar period of the last year, a growth generated by the increase in the volume of deposits in national currency.

In this context, the stock of monetary aggregates on June 30, 2017 compared to the data registered on June 30, 2016 has developed as follows:

- monetary aggregate M0 has increased by 8.3%, amounting to about 16.9 bln. MDL;
- monetary aggregate M1 grew up by 17.2% and reached a level of 28.6 bln. MDL;
- growth rate of monetary aggregate M2 raised by 13.4%, accounting for 47.9 bln. MDL
- monetary aggregate M3 posted an increase of 17.6% and equated to 71.4 bln. MDL.

At the end of quarter II of 2017 the volume of monetary base has recorded an essential increase of 19.8% sply and amounted to 35.9 bln. MDL.

The money supply in national currency strengthens slightly the value in total money supply. In quarter II, 2017 major structural changes regarding the weight distribution of different components in money supply did not occur loosely.

On June 30, 2017 the money supply components were distributed as follows: monetary aggregate M0 (currency in circulation) – 23.7%; demand deposits – 16.3%; term deposits – 27% and deposits in foreign currency – 32.9%. Compared to the data at the end of quarter II of 2016 it is mentioned a 3.4p.p. reduction in the weight of deposits in foreign currency and a development determined by the consolidation of the position of demand deposits in national currency which increased its weight by 3.1 p.p.

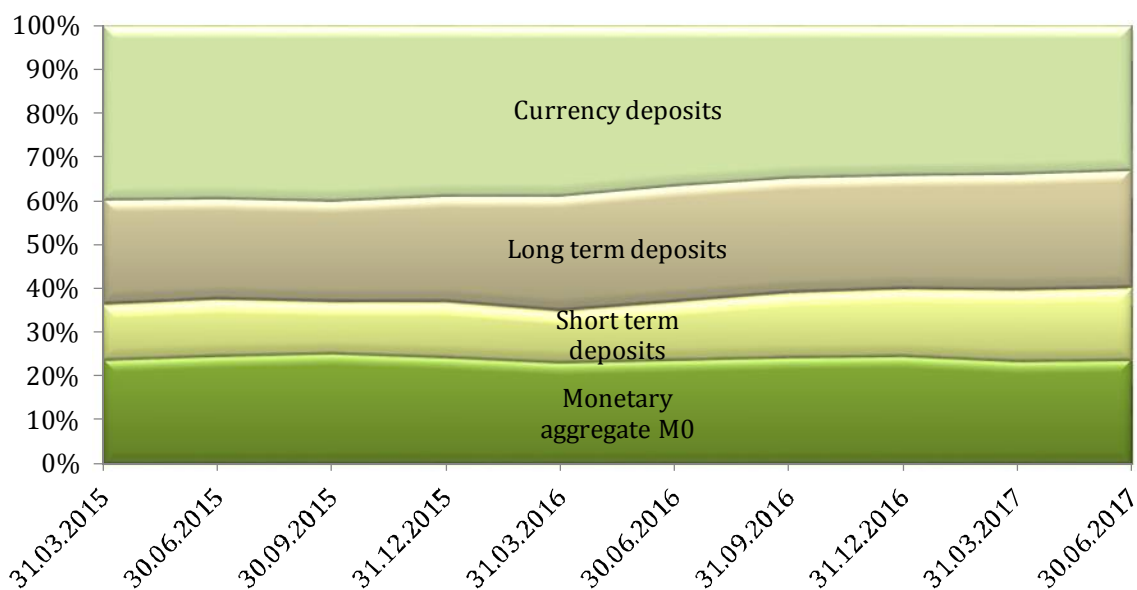


Figure 2.2.3. Structure of money supply M3

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

Monetary policy in the region from 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 provides for maintenance of the financial system stability and support of the economic growth based on targeting the exchange rate.

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

At the end of quarter II, 2017, the money supply in the region from the left of the Dniester was 6641.9 mln. rubles (equivalent of about 5487 mln. MDL³), recording an increase of about 20.2%, compared to the volume of money supply recorded at the end of quarter II of the previous year. This growth is due to the depreciation of ruble by the central bank in the region of the Republic of Moldova from the left of the Dniester River during this period (in June 2017, the exchange rate of US dollar increased from 11.30 to 15.00 rubles).

The changes in monetary policy left their mark on the money supply structure too. On July 1, 2017 the money supply components were distributed as follow: monetary aggregate M0 (currency in circulation) – 16.2%; quasi money – 18.4%; money supply in foreign currency – 65.4%. Compared to the similar period of the previous year, at the end of the second quarter of 2017 there have been some significant changes in the weight of money supply in foreign currency by 8.8% and the weight of currency in circulation and quasi money decreased by 2.3 p.p and 6.5 p.p., respectively.

³Calculated according to the official exchange rate of the CBPMR on July 1, 2017, <http://www.cbpmr.net/?kv=1&lang=ru>

Chapter III FINANCES

3.1. Public finances

The first semester of this year was more dynamic for the development of domestic economy compared to the same period of 2016, creating favorable conditions for the national public budget execution. Thus, the national public budget revenues were collected in the first semester of 2017 by 18.5% higher compared to the first semester of the previous year despite the pessimistic expectations.

In the 6 months of 2017, the total national public budget revenues amounted to 24909.2 mln. MDL, increasing by 18.5 % or by 3881.2 mln. MDL compared to the same period of the previous year, including: the state budget revenues rised by 2 830.2 mln. MDL, public social insurance budget – by 1 213.1 mln. MDL, mandatory health insurance funds – by 353.6 mln. MDL and local budgets – by 511.3 mln. lei. The analysis of the net revenues structure of NPB (without transfers between budgetary components) reflects a significant weight of the national budget receipts, with 63.09% contributions in total revenues, followed by social insurance budget with 22.22%, a lower weight of the local budgets with 7.03% and the lowest contribution have had MHIFR (mandatory health insurance funds revenues) with 6.62%.

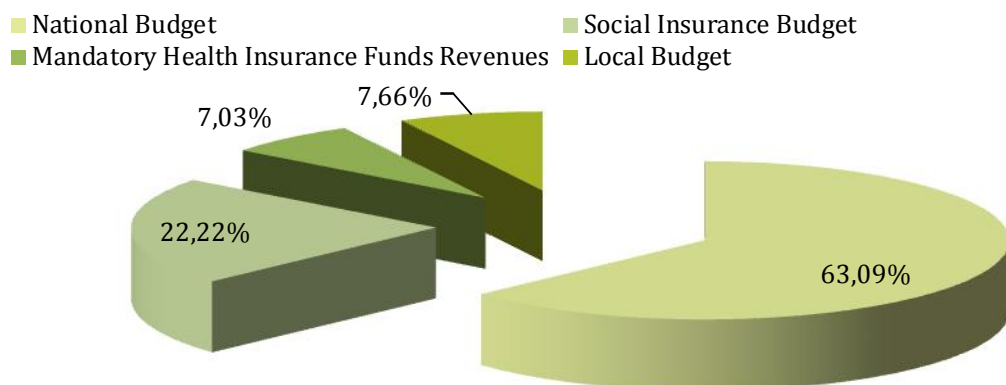


Figure 3.1.1. Structure of revenues in NPB in S I, 2017, mln. MDL

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

At the same time, the transfers between the national budgetary components show a major discrepancy between their ability to collect funds and necessity to fund their expenditures. Thus, from the government budget have been made transfers in the amount of 9 206.3 mln. MDL, however only 71 mln. MDL were collected, the highest ones being made in favour of local budgets and Public Social Insurance budget. Hence, the government budget provided 4 450.9 mln. MDL as local budgets transfers, 1295.5 – MHIFR and 3458.9 – social insurance budget. The funding trend of local budgets and other NPB components from the government budget is maintained during the last year putting the issue of amending the funding formation and administration mechanism at the level of each budget apart either social or MHIFR fund or local ones on the government agenda.

The value of tax and duties revenues during the analyzed period amounted to 16353.6 mln. MDL, increasing by 23.0% or 2095.0 mln. MDL compared to the previous year. The highest contribution to the NPB's revenue formation have had the taxes on goods and services with 45.74%, (or 69.41%

of total tax revenues), of which the VAT accumulated 31.11% of total NPB revenues and excise duties -11.02%, the largest part, about 96%, belonging to excise duties on imported goods. The income tax has contributed to the NPB's revenue formation with 15.82%, taxes and duties from external trade -3.0% and taxes on real estate had an insignificant value of 1.32%. We mention that the low weight of income taxes in the first semester of 2017 compared to the taxes and duties on goods and services let us to say that the economy of the Republic of Moldova still bases on the model of consumer economy.

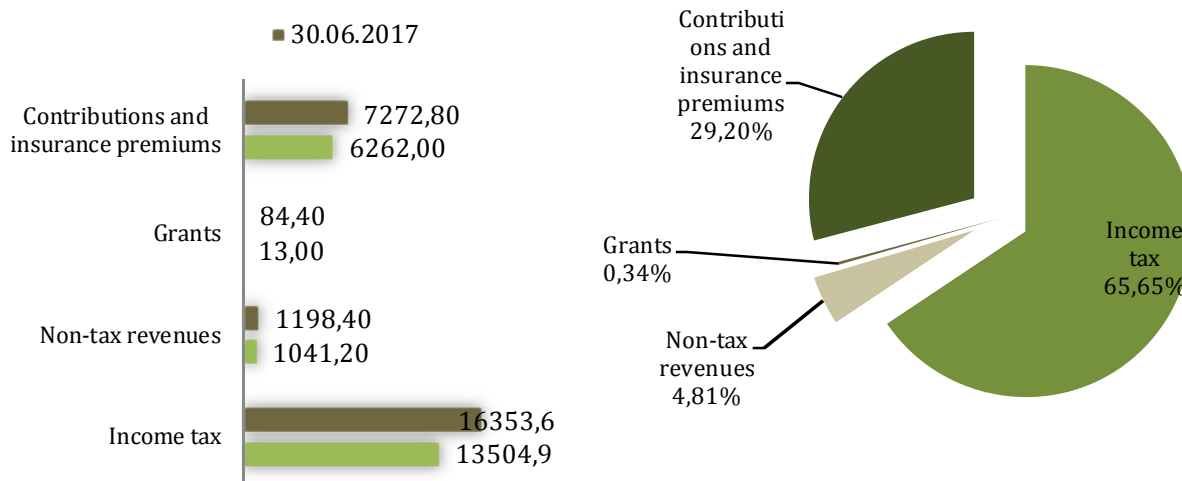


Figure 3.1.2. Structure of revenues by source in NPB in SI, 2016-2017, mln. MDL

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

The non-tax revenues, in semester I, 2017 amounted to 1198.4 mln. MDL, by 19.4% more compared to semester I of 2016, however its components have significantly changed: „State property revenues totaled 236.3 mln. MDL, down by 4.7% compared to the similar period of the previous year, „Duties and administrative payments” with 158.3 mln. MDL, declining by 1.4% while received equities increased by more than 200% as well as the revenues from fines and sanctions.

On June 30, 2017 contributions and required insurance premiums equated to 7272.8 mln. MDL, contributing to the NPB formation by 29.20%, up by 15.2% compared to the same period of the previous year.

In semester I, 2017, the Republic of Moldova received grants in the amount of 84.4 mln. MDL, which is only 37.81% of the amount received in the previous year. The most important donations were from international organizations while the governments of other countries transferred only 13.5% of grants in the first semester of 2016. The external granters reduced the volume of funding by grants given that there is no predominantly political stability in the country and several projects funded by the international bodies were frozen or postponed.

The share of **national public budget expenditures** in semester I of 2017 accounted for 25 010.7 mln. lei, representing an increase of 3 302.2 mln. lei or by 15.2% against the similar period of the previous year. As a weight in GDP these have registered a 1.4 p.p. growth, from 16.1% of PIB in semester I 2016 up to 17.5% of GDP in semester I 2017.

The expenditures made in semester I, 2017 on NPB components were:

- government budget – 16 668.1 mln. lei,
- public social insurance budget – 8 713.1 mln. lei,
- mandatory health insurance funds – 2 916.4 mln. lei,
- local budgets – 5 926.5 mln. lei.

Compared to semester I of 2016, the lowest increase of expenditures was recorded in the government budget – 10.6%, the highest increase was the mandatory health insurance funds – 30.0%, and increase of public social insurance budget and local budgets expenditures accounted for 17.3% and 15.2%, respectively.

During this period, the social sector fundings had the highest weight of the total recording also the highest growths. Thus, the expenditures for social protection have increased compared to the similar period of the year by 10.8% up to 9420 mln. MDL; education was funded by 13.1% more sply reaching 4670.4 mln. MDL; and health care expenditures rose by 31.2%, amounting to 3324 mln. MDL on June 30, 2017.

However, the highest increase compared to the similar period of the last year, by over 200% was for housing and utility services households and services in economy expenditures. The decrease of expenditures was attested for environmental protection by 5%. 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.

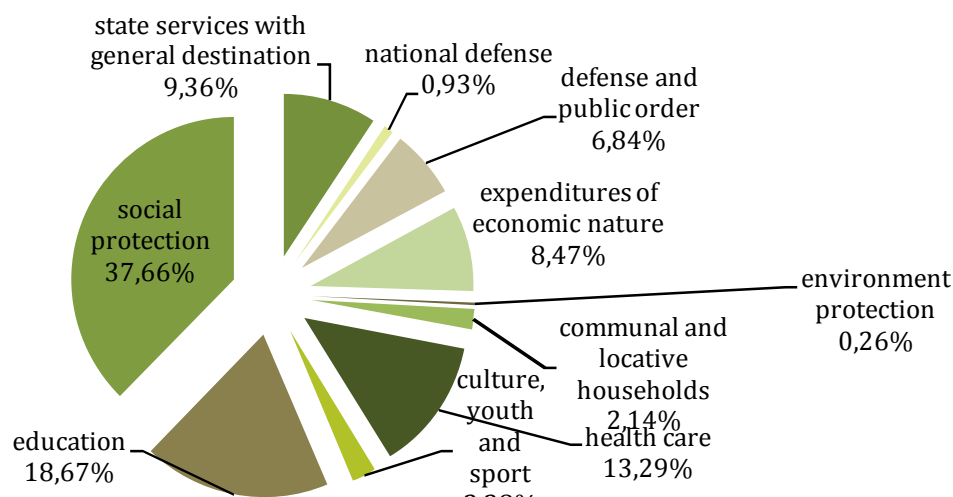


Figure 3.1.3. Structure of expenditures in NPB in S I, 2017, %

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

The national public budget execution in semester I, 2017 has resulted in a deficit equating to 101.5 mln. lei (0.07% in GDP) given that for 2017 there was set the budget deficit target of 3.0% of GDP. Compared to the same period of 2016, the budget deficit was lower by 579.0 mln. lei, especially due to the faster accumulation of budgetary revenues compared to the growth rate of government expenditures.

At the end of June, 2017, the balances of funds in the national public budget accounts compared to the beginning of the year increased by 1 215.9 mln. MDL and amounted to 5 996.3 mln. lei, including 1 000.9 mln. lei from projects funded by external sources.

Of all NPB components, only the government budget ended in a deficit during the respective period, the external funding sources representing the main funding source of the deficit. The other components of the national public budget ended in a surplus. At the end of semester I of this year, a primary surplus of 0.5% of GDP has been recorded (budget balance excepting interest rates) given that for 2017 there is foreseen a primary deficit of 1.6% of GDP.

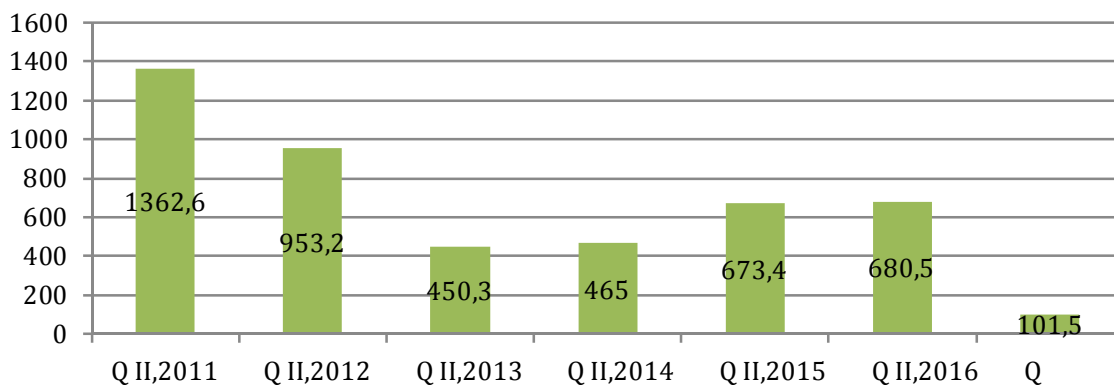


Figure 3.1.4. NPB deficit, mln. MDL

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

On June 30, 2017 **the public sector debt** amounted to 58248.1 mln. MDL, the largest part, about 87% belonging to public debt, the public sector enterprises having a debt of 2103.2 mln. MDL or 3.61% of debt and the NBM – 5122.7 mln. MDL or 8.8%. According to the data on GDP forecast for 2017, the **weight of public sector debt in GDP** on June 30, 2017 amounted to 39.3%, decreasing by 4.7 p.p. compared to the end of 2016 and an increase of 6.0 p.p compared to the same period of 2016.

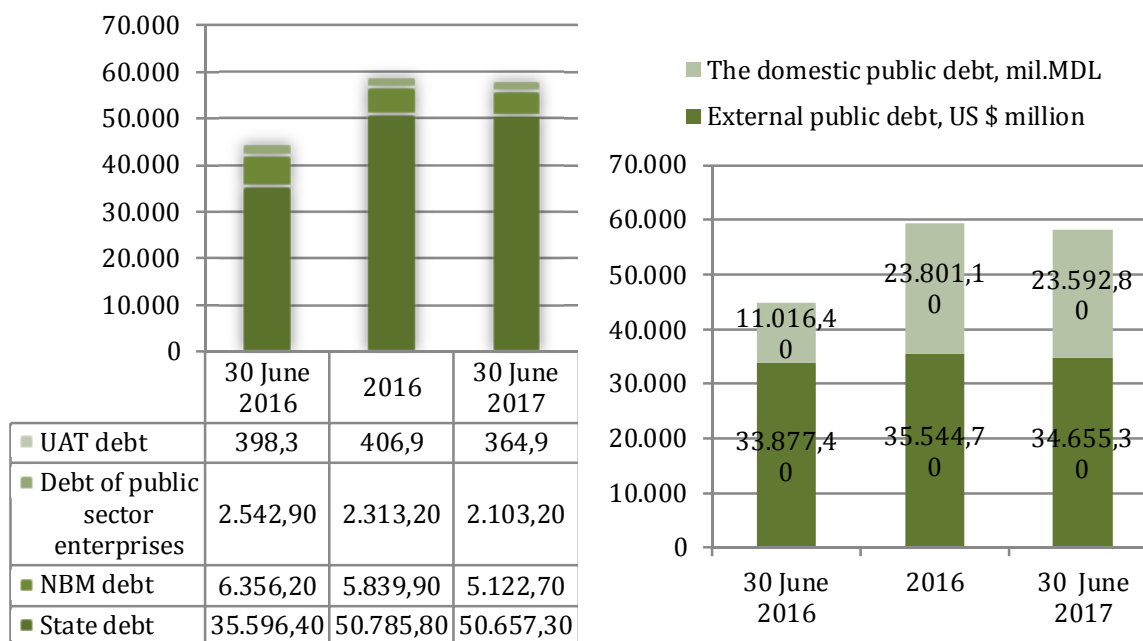


Figure 3.1.5. Structure of public sector debt during 2016-2017, thousand MDL

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

The increase in the balance of public sector at the end of semester I, 2017 compared to the end of 2016 is conditional on the increase in the balance of public debt by 863.4 mln. lei. In this period, the NBM debt balance decreased by 540.6 mln. lei, public sector enterprises debt diminished by 176.8 mln. lei, and ATU debt declined by 23.8 mln. lei.

On June 30, 2017, **the public sector external debt** amounted to 1 908.9 mln. USD (equivalent of 34 655.3 mln. MDL), or 59.5% of public sector debt balance and **public sector domestic debt** accounted for 23 592.8 mln. lei (40.5%). During semester I of 2017, the public debt has decreased reacting especially to the public sector domestic debt which recorded a decreasing development of 2.5 percent.

On June 30, 2017 the public debt balance amounted to 50 657.3 mln. MDL, consisting of 1 604.6 mln. USD external public debt (equivalent of 29 130.7 mln. MDL) and 21 526.6 mln. MDL domestic public debt recording a decrease of 128.5 mln. MDL or by 0.3% compared to the end of 2016. The decrease in the public debt balance on June 30, 2017 compared to the end of 2016 is especially due to the decline of external public debt denominated in Moldovan lei depending on the appreciation of national currency by 9.1% during semester I, 2017. The amendment in the public debt balance of the SS issuing was insignificant – by about 7.0 mln. lei. The weight of public debt in GDP on June 30, 2017 amounted to 35.5%, recording a decrease compared to the end of 2016 by 2.1 %.

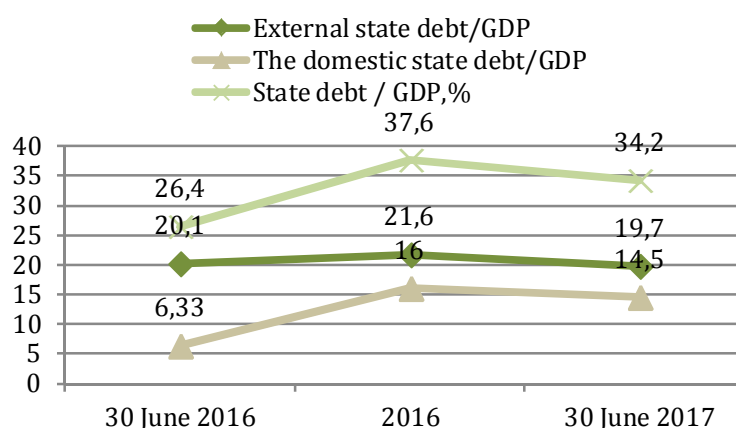


Figure 3.1.6. Relation of debt types compared to GDP

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

The public debt structure by maturity denotes a high quality because the *short-term public debt* holds a weight of 18.5 %, which means that about a fifth of the public debt balance will arrive at maturity during a year. *The long-term debt* accounts for 81.5 % of the public debt portfolio, the longest maturity periods belong to the external and domestic public debt issued for the execution of the state guarantees.

According to the *structure by currencies* of public debt, the highest weight falls under the head of the domestic public debt in *Moldovan lei* – 42.5%, followed by the external public loans denominated in the *SDR* currency basket by 33.8%. The following positions are occupied by *Euro* – 15.7%, *US Dollar* – 5.9%, *Japanese yen* – 2.1% and *Sterling* – 0.02%.

The debt with floating interest rate accounted for 15.0 percent of the public debt portfolio on June 30, 2017 representing a decrease by 0.3 p.p compared to the end of 2016 and by 5.2 p.p. compared to June 30, 2016. At the same time, on June 30, 2017 the public debt of fixed interest rate debt amounted to 85.0 percent of the public debt portfolio.

Public finances in the region from the left side of the Dniester River

In the first semester of 2017, the republican budget collected revenues in the amount of 813.4 mln. rubles, by 46.9 mln. rubles (6.1%) more compared to the real revenues for the same period of 2016. These revenues were obtained from the following sources:

- Tax revenues in the amount of 457.5 mln. rubles (56.3% of total government revenues), which is by 29.8 mln. rubles (7%) more compared to the real revenues for semester I, 2016;
- Non-tax revenues amounting to 29.8 mln. rubles, by 24.7 mln. Transnistrian rubles (by 5.8 times) more compared to the real revenues for semester I 2016;
- Voluntary donations to the tune of 1.7 mln. Transnistrian rubles transferred in the Republican budget to fund the businesses;
- Revenues from special funds accounting for 38.57 mln. Transnistrian rubles, which is by 3.49 mln. Transnistrian rubles (8.3%) less than the real revenue for semester I, 2016;

- Revenues from other economic activities equating to 40.75 mln. Transnistrian rubles, by 2.84 mln. Transnistrian rubles (6.5%) less compared to the real revenue for semester I, 2016.

In the structure of tax revenues, the highest weight holds the following types of taxes:

- corporate tax from legal entities in the amount of 204.2 million Transnistrian rubles, by 10.1 million Transnistrian rubles or 4.7% less compared to the real revenue for the first half of 2016;
- customs duties amounting to 122.6 million Transnistrian rubles, which is by 2.2 million Transnistrian rubles (1.8%) more than the real revenue for the first half of 2016;
- excise duties worthing 58.1 million Transnistrian rubles or by 13 million Transnistrian rubles (28.9%) more than the real revenue for the first half of 2016;
- income tax from individuals equating to 12.9 million Transnistrian rubles, being by 2.3 million Transnistrian rubles (15%) less against the real revenue for the first half of 2016.

During the reporting period, the local budget revenues collected funds worthing 365.6 million Transnistrian rubles, by 11 million Transnistrian rubles (2.9%) less than the real revenue for the first half of 2016.

In semester I, 2017 the national budget expenditures were funded in the amount of 1 299.6 mln. Transnistrian rubles, by 37.08 mln. Transnistrian rubles more than in the same period of 2016, however at the level of only 81.8% of the planned ones. From the declarations of the separatist Republic authorities, the republican budget had a social nature, the weight of expenditures for social protection funding equated to 1 114.6 mln. Transnistrian rubles or 85.76% of total budget expenditures in this period.

The budget execution ended in a deficit balance of 486.2 Transnistrian rubles increasing by 20.08% compared to the same period of the previous year.

3.2. Banking sector

The banking sector of the Republic of Moldova experienced positive developments during the first semester of 2017 being conditional on both domestic macroeconomic factors and financial and advisory support of the IMF and EU. However there are gaps in terms of transparency and corporate governance at the first 3 banks in the system, BC „Moldova-Agroindbank” S.A., and B.C. „Victoriabank” S.A., for which the intensive supervision regime was maintained with which was replaced the special supervision set on June 11, 2015 following the amendments in legislation as of October 4, 2016 and for BC „Moldindconbank” S.A., the early intervention regime was introduced. This leads to some uncertainty in the future developments of the banking system because the above-mentioned banks currently hold 65.0% of the banking sector’s assets, 55.47% of capital and 65.6% of loans portfolio.

In the first six months of 2016, the bank assets have recorded growing trends both in volume and quality. During 2016, the growth rate of bank assets was on an upward trend and in the first six months of this year, the volume of assets increased by 1 013.5 mln. MDL or 1.37%, amounting to 75 025.74 at the end of June, 2017. The risk-weighted assets have also arisen from 32 553 mln. MDL at the end of 2016 to 34 166.76 mln. MDL at the end of June 2017. The growth in the volume of risk-weighted assets was similar to the growth rate of total assets so that the weight of risk assets in total assets registers a continuous decline since the beginning of 2017 reaching 45.54%, less by 1.85 p.p compared to the end of semester I, 2016.

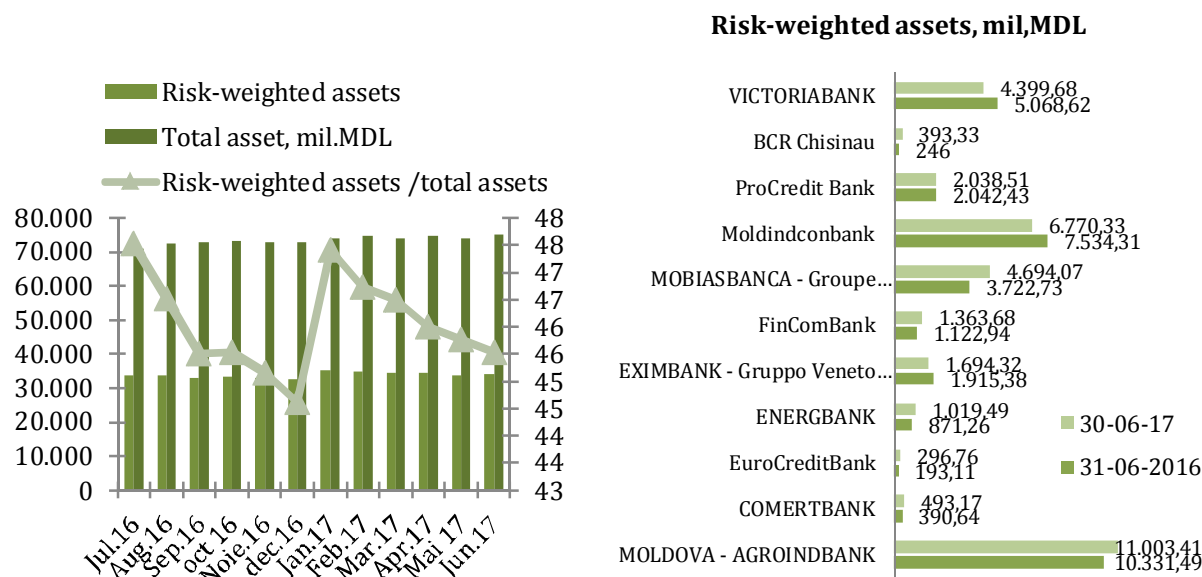


Figure 3.2.1. Development of quality of bank assets

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

At the same time, there is seen that only 4 banks B.C. „Victoriabank” S.A, B.C. „EXIMBANK-Gruppo Veneto Banca” S.A., B.C. „ProCredit Bank” S.A, B.C. „Moldindconbank” S.A. improved their asset quality against the similar period of the previous year. There can be mentioned especially B.C. „Victoriabank” S.A., its risk asset value being reduced by 668.94 mln. MDL and B.C. „Moldindconbank” S.A. bank with a decrease of 793.98. The other 7 banks arose the value of risk-weighted assets. BC „MOBIASBANCA-Groupe Societe Generale” S.A. may be named the head in this respect with 972.34 mln. MDL and B.C. „Moldova-Agroindbank” S.A. with 671.92 mln. MDL. Two of the banks under intensive supervision improved their positions regarding this respect and „Moldova-Agroindbank” S.A. – worsened it.

The quality of bank assets was also supported by the volume of equity capital, so that, the capital adequacy makes rings round the minimum imposed by the prudential requirements of 16% reaching on average 29.7% in the system. The slope of the chart representing the level of capital adequacy for the period of the first semester, 2017 was the same as in the similar period of last year but it started to rise from a higher level and registered variation within the limit of 1.5% which can be considered insignificant at such a higher rate of capital adequacy. The sharp decrease of this indicator recorded in January, 2017 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 compared to Figure 3.2.1).

The rise of the asset value was regrettably due more to the liquidity increase than loans. On June 30, 2017 the gross loan portfolio amounted to 45.6% of total assets or 34 216.57 million lei decreasing by 1.57 percent (544.7 mln. MDL) during semester I, 2017. Compared to the same period of the previous year, the reduction was even more drastic amounting to 3 019.7 mln. MDL or 8.69%. 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 13.2 % of total assets being by 2.1 p.p. lower compared to the end of 2016, following the drop of the base rate from 9 percent to 8.0 percent. The rest of assets amounting to 41.2 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.

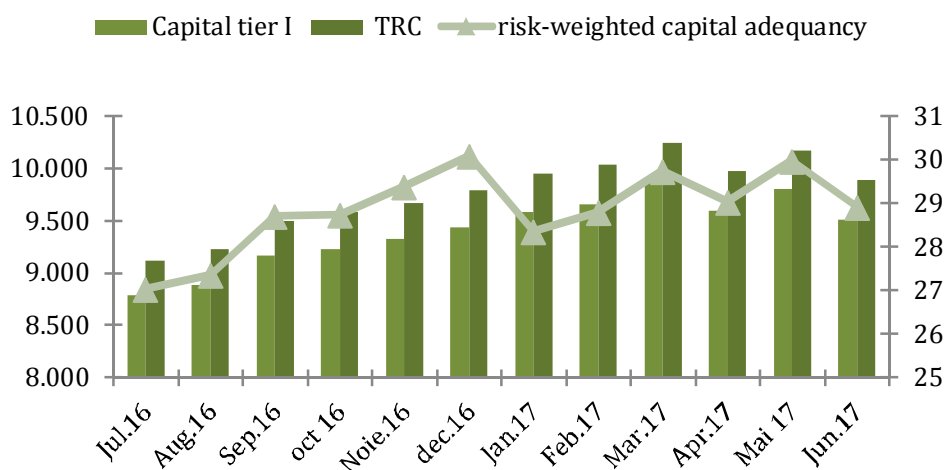


Figure 3.2.2. Development of quality of bank capital

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

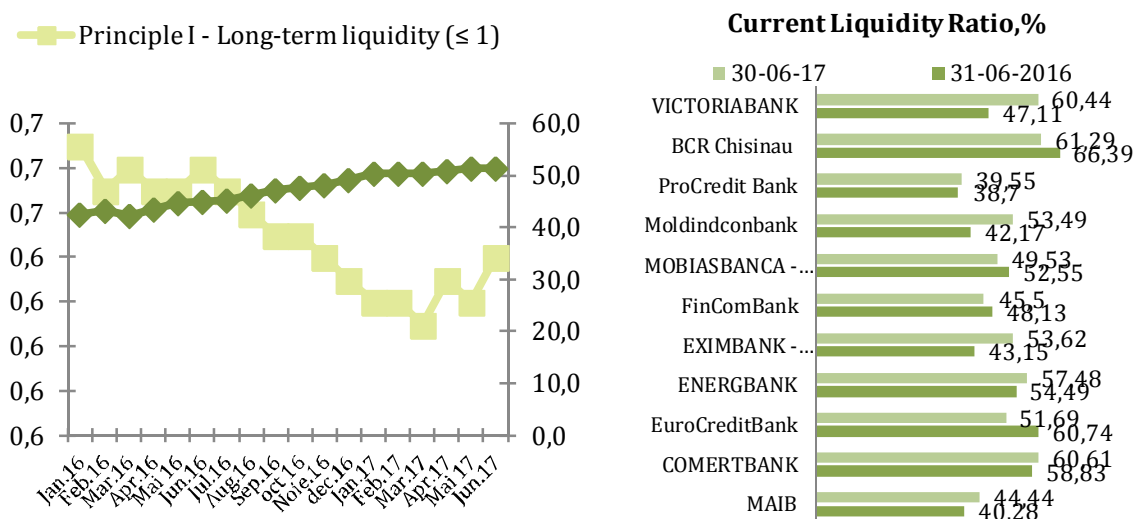


Figure 3.2.3. Level of liquidity in the banking sector on June 30, 2017

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

In the first six months of 2017, 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 51.30%, more by 6.81 p.p. against June 30, 2016 and by 2.1 p.p. against January 1, 2017 and by about 2.5 times more than the minimum limit set by the NBM. The value of the long-term liquidity indicator (liquidity principle I (≤ 1)) of the entire banking system amounted to 0.62, as of June 30, 2017 less by 0.08 compared to June 30, 2016. *Consequently, we state an excessive increase of bank liquidities as well as a migration of an asset share from loans to low-risk liquid assets and adequate return such as the state securities.*

Most banks register a liquidity excess, the actual liquidity indicator being increasing permanently. In this respect B.C. „Comertbank” S.A. with 60.61%, B.C. „Victoriabank” S.A. with 60.44% and B.C. „Energbank” S.A. with 57.48% are leaders in this respect. B.C. „BCR Chisinau” S.A. decreased considerably the weight of liquid assets from 66.64% at the end of last year to 61.29% as of June 30, 2017. Except for B.C. „Victoriabank” S.A., which increased its liquidity as a result of amending its loan risk assessment strategy given the intensive supervision, a liquidity excess report the banks with low capital which under intensive supervision choose to reorient their activity from

lending to placements of means in low-risk assets but with an acceptable level of profit. Unfortunately, this situation is encouraged by the NBM which maintains the interest rate on securities issued by it and deposits attracted by banks at a fairly high level.

The continual liquidity growth in the banking system is the result of tightening the monetary policy promoted by the NBM which essentially aims to sterilize the money supply excess in order to maintain the inflation targeting but affects the banks' ability to lend. As long as the NBM will continue to manage the liquidity excess to support a proper functioning of interbank money market by open-market operations, the banks will feel low from placing loans which at a similar return produce a much higher risk than the state securities and the increase of required reserves ratio will only act to the rise of liquidity requirement maintained on the bank accounts at the NBM. In this case, it is important to express a decision which would clearly set the monetary policy option of the NBM – maintenance of inflation targeting or lending growth of the banking system and implicitly the economic growth of the country.

The slowdown in the volume of new loans which began at the end of 2014 changed in a moderate reduction of lending during 2015 and 2016, continuing also at the beginning of 2017. The gross loans portfolio granted by the commercial banks had a negative development in semester I, 2017. Though, in January there was recorded a sharp increase in loans provided to legal entities by 6 425 mln. MDL which can be considered as an abnormality. Moreover, this abnormal value of loans appeared in January, was not found either in February or June, at the end of semester I, the value of loans being even lower than at the beginning.

At the same time, there is observed the migration of loans from legal entities to individuals and from foreign in national currency (44.86 %). Thus, the loans provided to individuals increased by 154.61 mln.MDL and those provided to legal entities decreased by 727.70 mln.MDL, against the reduction in the total volume of loans. The increasing trend in loans provided to legal entities and in national currency is due to the appreciation of Moldovan leu against other currencies and the refuse of banks to assume the foreign currency risk too apart from the loan one. However the high level of loans provided to individuals shows a high level of uncertainty and depression of domestic real economy which makes the business unable or unwilling to lend. Thus we are present at the continuing amendment in the pattern of national economy development from production to consumption.

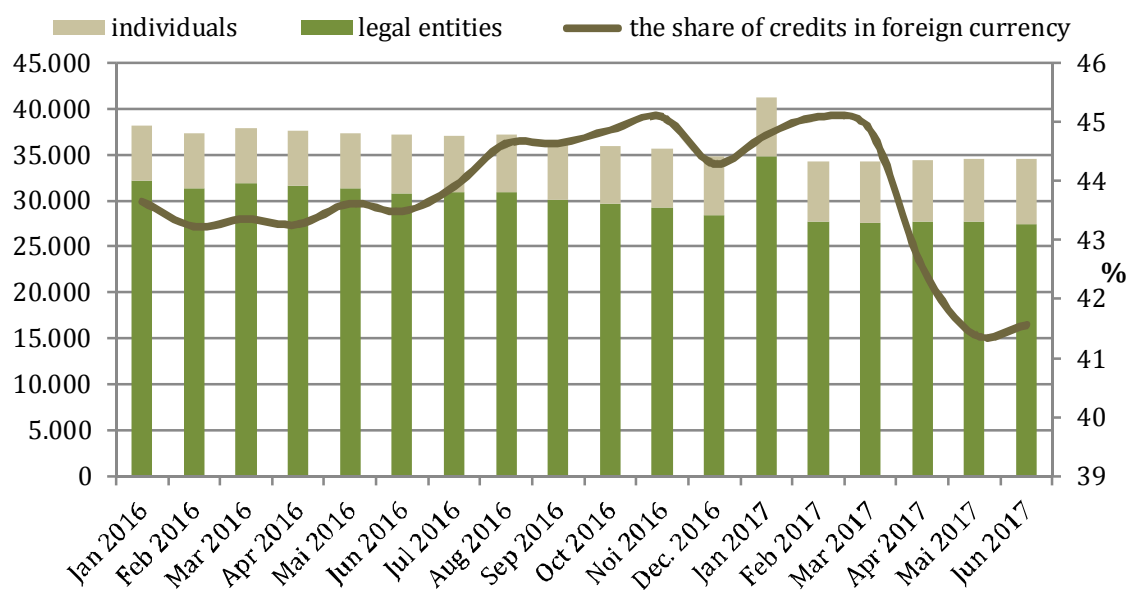


Figure 3.2.4. Development of loans by currency and categories of debtors, thousand MDL
Source: According to the data of the National Bank of Moldova.

However, the decline in lending rate was not associated with the decrease of the portfolio risk level. Hence, in the first semester of 2017, the value of non-performing loans amounted to 6 034.22 mln. MDL increasing by – 36 mln. MDL or 0.6% as against June 30, 2016 and by 364.4 mln. MDL or 6.07% against January 1, 2017. Unfortunately, the decrement in the volume of non-performing loans was registered only in the first 3 months of this year being low due to the fact that B.C. „Victoriabank” S.A. declined considerably the amount of non-performing loans (to see figure below) mainly due to the loans payment including the mortgage selling. The further increase of non-performing loans was influenced by other two banks under intensive supervision mainly as a result of loans reclassification in non-performing risk categories following the NBM controls and external audit.

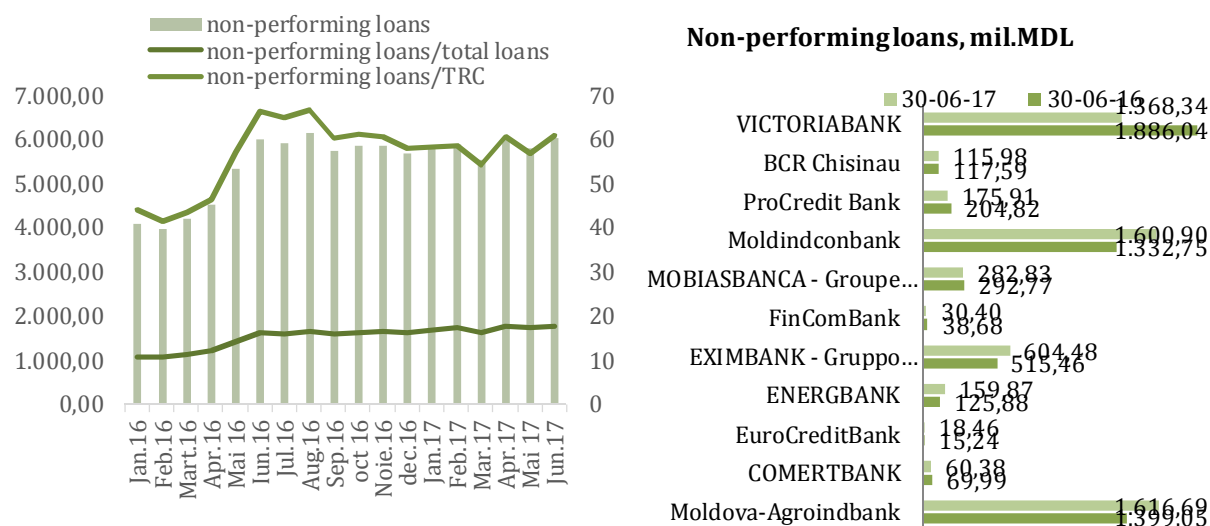


Figure 3.2.5. Development of non-performing loans in banking sector

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

Looking at the relative indicators, we see that the weight of non-performing loans in total loans as of June 30, 2017 has significantly increased by 1.2 p.p., compared to December 31, 2016 and by 1.5% more compared to the similar period of the previous year reaching at the end of semester I, this year the highest level – 17.60%. The aforesaid indicator ranges from bank to bank, the highest value accounting for 32.54% for B.C. „EXIMBANK-Gruppo Veneto Banca” S.A., and the lowest one 2.48% for B.C. „FinComBank” S.A. The banks under intensive supervision have recorded this indicator as follow: B.C.„Moldova -Agroindbank” S.A., – 14.85% B.C „Moldindconbank” S.A. – 23.22%, B.C. „Victoriabank” S.A, -29, 30%. B.C. „Victoriabank” S.A remains to be leader in the respect of loan risk, among these three banks, both in absolute and in relative indicators, however the bank management is making considerable efforts to redress the situation.

The weight of non-performing loans in total TRC reached 61.1%, up by -3.2% against the end of 2016 and with a reduction of 5.4% compared to June 30, 2016. The banks which reached the level of this indicator above average are the same three banks under intensive supervision B.C.„Moldova-Agroindbank” S.A., – 61.58% B.C „Moldindconbank” S.A. – 99.92%, B.C. „Victoriabank” S.A. -109.12%, and also B.C. „EXIMBANK-Gruppo Veneto Banca” with 61.84%. It should be mentioned that during the last 3 months B.C. „Victoriabank” S.A, reduced this indicator by 11.15 p.p. from 120.27%.

The promotion of an austere monetary policy has an influence on the volume of money supply and its cost, the interest rate channel being inert. This is supported by the interest rate trend on new loans and deposits, which is steadily decreasing. During the period June 2016 – June 2017, the average interest rates applied by the commercial banks on loans and deposits decreased by 3.60 p.p. and 4.36 p.p., respectively, being situated at the level of 10.55% on new loans and 6.35% on new deposits. The much faster decline in interest rate on deposits against loans still points a

downward trend which will discourage the population to put aside money. Although in March there was attested an increasing interest rate on deposits up to 6.91%, it was in the short term returning on a decreasing trend in the coming month.

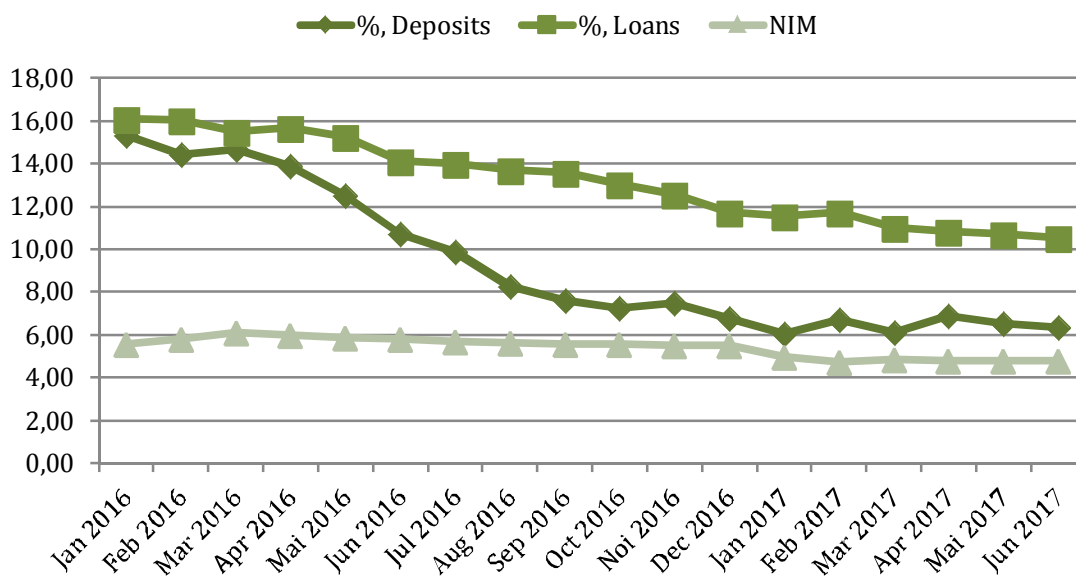


Figure 3.2.6. Development of net banking margin, average interest rates on new deposits and loans in MDL, %

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

On June 30, 2017 the balance of banks' deposits amounted to 55 370.36 mln. MDL, increasing by 6.04%, compared to June 30, 2016 and by 1% compared to December 31, 2016. This growth was mainly due to the increase in the balance of deposits in lei by 3 617.01 mln. MDL or by 13.52% compared to the same period of the previous year and by 1 008.66 or 3.46% compared to the end of 2017, prevalingly from legal entities account. Hereby, against the increase in the volume of deposits, the deposit rate of individuals decreases, reaching 67.87%, down by 0.85% against December 31, 2017 and by 3.31% against semester I of 2016. This decrement is caused by the revenue drop intended for population's savings, reduction of remittances flow and decrease of confidence of individuals in the banking system after the Billion Dollar Theft. At the same time, the increase in the balance of deposits of legal entities leads to the conclusion that the business is waiting for a change of the economic situation and is not investing choosing to hold the free funds in the bank accounts to the detriment of funding some investment activities. The balance of deposits in foreign currency has diminished by 462.79 mln. MDL or 1.81% compared to the same period of the previous year and by 476.81 mln. MDL or 1.87% as against December 31, 2017. The decrease in the balance of deposits in foreign currency in conjunction with the sharp increase in the balance of deposits in lei is the result of the significant appreciation of the national currency on the foreign exchange market attested during 2017. (Figure 3.2.7)

The problems in the banking system, previously identified are reflected by the financial result of the banks in semester I, 2017. In June, 2017, the bank's profit in the entire banking system amounted to 956.73 mln. MDL, up by - 102.3 mln. MDL or 11.98% in comparison with the same period of the previous year. The increase in the profit is determined by the decrease in interest expenditures (from deposits) by 39.9 percent, decline of financial assets depreciation by 76.6 percent and increase of non-interest revenues by 5.4 percent (vastly from duties and commissions by 11.8 percent). There is also seen an increase of revenues from the primary activity of banks, the ratio between net interest revenue and total revenues reaching from 37.84% at the beginning of this year to 40.4% as of June 30, 2017. The weight growth of interest revenues in total revenues was also due to the rise in receipts of holding to maturity of state securities and not to the rise in receipts of loans.

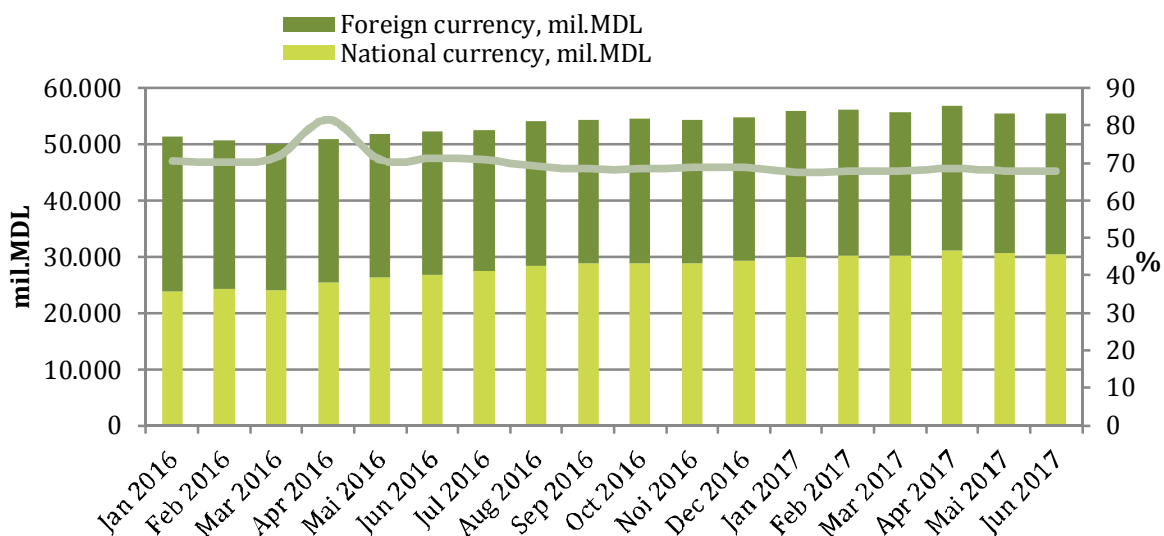


Figure 3.2.7. Development in the balance of deposits in S I, 2017, mln. MDL

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

Under the growth of revenues in absolute form there was also recorded an increase in relative indicators of return – ROE and ROA by 2.7 p.p. and 0.4 p.p., respectively reaching the weight of 14.6% for return on equity and 2.4% for return on assets. However, only 40.4% of total revenues are provided by the financial intermediation activity confirming a low involvement of banks in funds redistribution activity and implicitly to the economic growth by providing the necessary resources of real economy.

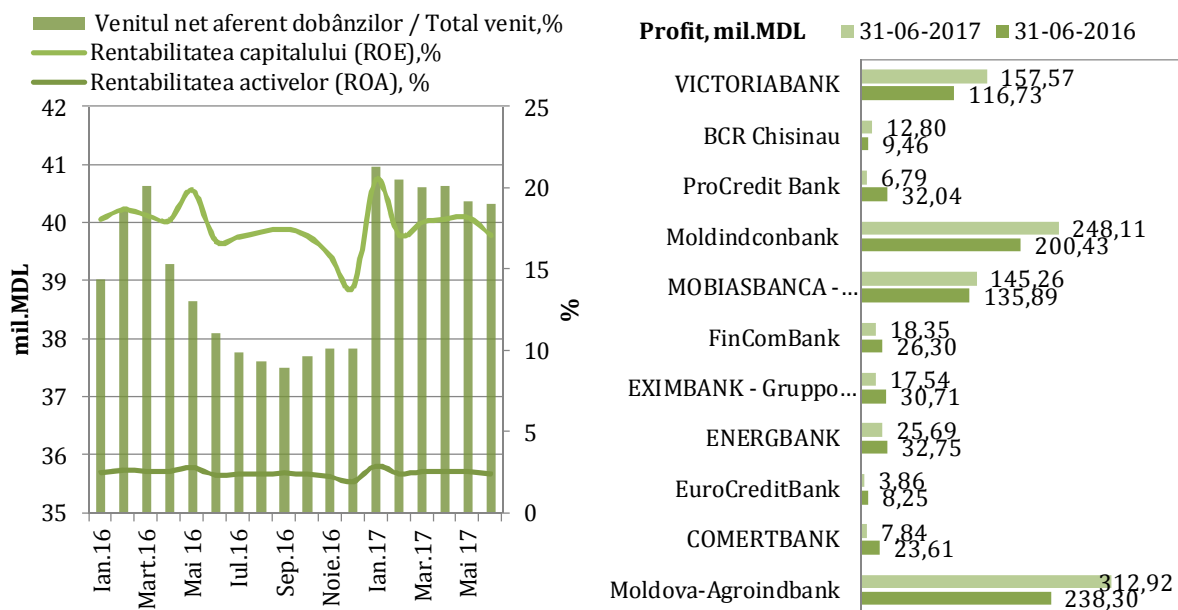


Figure 3.2.8. Development of banking return and profitability in 2016-2017

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 in the banking system reveals that only 5 banks of 11 have registered an increase in the value of profits, the other banks recording a negative trend. Thus, compared to June 30, 2016 B.C. „BCR Chișinău” S.A increased its profit by 3.3 mln. MDL or 32.55%, B.C. „MOBIASBANCA-Groupe Societe Generale” S.A. by 9.4 mln. MDL or 6.89%, B.C. „VICTORIABANK” S.A. by 40.8 mln. MDL or 34.98% B.C. „Moldindconbank”

S.A., by 47.7 mil. MDL or 23.79% and BC „MOLDOVA-AGROINDBANK” S.A. by 74.6 mil. MDL or 31.31%. For the last 2 banks, the positive trend began in quarter II of 2017, the first trimester of this year being less profitable than in the previous year.

The pioneers regarding the net profit decrease compared the same period of 2016 were B.C. ProCredit Bank” S.A, with 78.79% or 25.2 mln. MDL, B.C. „COMERTBANK” S.A with 66.81% or 15.8 mln. MDL, B.C. „Energbank” S.A. with 25.57 or 7.1 mln. MDL and B.C. „EXIMBANK-Gruppo Veneto Banca” with 42.67% or 13.2mln. MDL. Indeed, we mention that the value of profit during the financial year is less informative being adjusted with all seasonal growths and reductions by the end of the year. We hope that the banks will supply their non-profits during the year.

Banking sector in the region to the left of the Dniester River

In the first six months of 2016, the banking sector in the region to the left of the Dniester River has recorded revival trends in the main activity indicators. In semester I, 2017 the average annual growth rate of bank assets in Transnistrian region was situated on an upward trend amounting to a 4.34% increase sply or 323.7 mln. rubles, forming the value of 6660.02 mln. Transnistrian rubles⁴ on March 31, 2017.

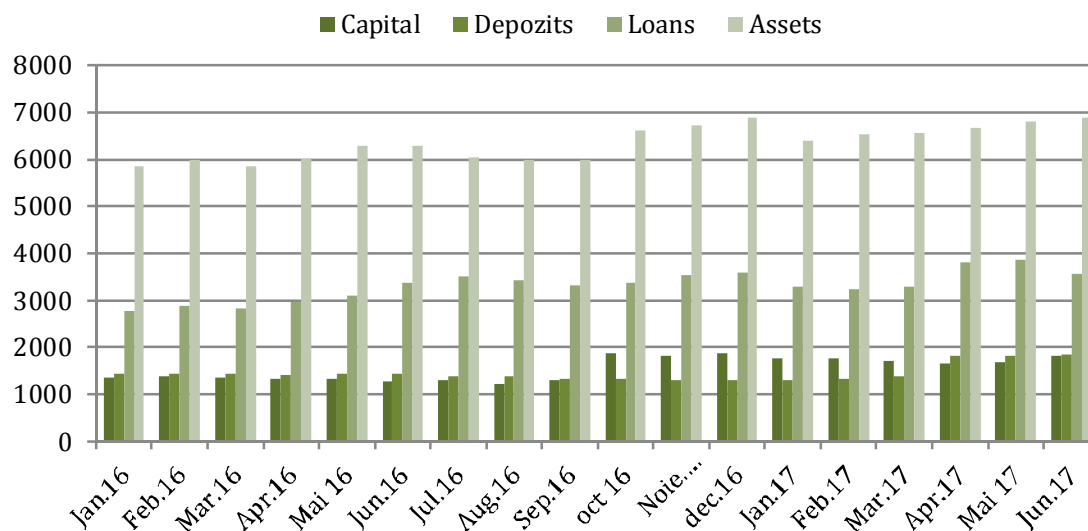


Figure 3.2.9. Annual growth rates of bank assets, deposits and loans in the region to the left bank of the Dniester River, %

Source: Author's calculation according to the data of the Transnistrian Bank.

The balance of loans provided to the economic sector reached the amount of 4225.11 mln. Transnistrian rubles on March 31, 2017, by 306.6 mln. Transnistrian rubles more or by 1.05% against December 31, 2016. During this period, the loans for individuals accounted for 724.3 mln. Transnistrian rubles, by 19.19% less against March 31, 2016 and loans provided to real sector totaled 3284.7 mln. Transnistrian rubles, by 2.4% more. At the same time, it is attested a much higher growth rate of reductions in the losses on loans proving the increase in loan risk. Hence, the amount of reductions went up by 84.45 mln. Transnistrian rubles or 20.68%, reaching 493.23 mln. Transnistrian rubles.

On March 31, 2017 the balance of bank deposits from population accounted for 1376.6 mln. rubles, increasing by 18.3% or 59.3 mln. Transnistrian rubles compared to December 31, 2016. The total balance of deposits equated to 3002.09 mln. Transnistrian rubles up by 4.81%. Due to

⁴ www.cbpmr.net

the major discrepancies between the attracted deposits and volume of loans demanded by economy, the banks are forced to make greater efforts to attract funds on the interbank market. Thereby, the volume of attracted resources except those from population's deposits amounted to 5049.0 mln. rubles increasing by 274.4 mln. rubles or 8.12%. In the case of the banking sector to the right of the Dniester River there is also an important problem regarding the transparency of the Transnistrian banks' shareholders and a major loan risk. The local banking sector is getting harder to face the foreign currency risk due to the depreciation of Transnistrian ruble.

Chapter IV EXTERNAL SECTOR

Balance of payments

The relations between our country and foreign ones are reflected in the balance of payments. In semester I of 2017, the current account of the balance of payments of the Republic of Moldova was up by 77.8% compared to the same period of the last year. In semester I, 2017 the current account has registered a deficit of 307.22 mln. USD. The worsening of the current account was entirely caused by the increase in the deficit of external trade in goods.

Table 4.1. Dynamics of main aggregates of balance of payments in S I, 2016-2017, mln. USD (preliminary data)

Year	2016		2017		S. I 2017/ S. I 2016 (%)
	Q. I	Q. II	Q. I	Q. II	
Current account	-91.58	-81.18	-120.05	-187.17	177.8
Goods	-463.38	537.24	-522.44	-674.29	119.6
Services	44.6	51.51	57.20	59.09	121
Primary revenues	85.3	129.24	103.60	140.32	113.7
Secondary revenues	241.9	275.3	241.59	287.71	102.3
Capital account	-6.98	-2.56	-6.69	-6.47	137.9
Financial account	-152.46	-32.33	-51.28	-111.48	88.1
Direct investment	-34.18	9.41	-35.92	-35.45	288.1
Portfolio investment	-0.12	-0.12	-1.11	0.03	450
Financial derivatives	-0.20	-0.29	-0.20	-0.25	91.8
Other investment	-102.42	-203.53	-51.77	-179.56	75.6
Reserve assets	-15.54	162.23	37.2	103.75	96.4
Remittances from abroad made in favour of individuals through licensed banks, net	223.9	279.59	251.77	299.9	9.5

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

In semester I of 2017, **the balance of services** grew up to 116.3 mln. USD compared to semester I, 2016. The export of services increased by 14.8%, while the imports of services by 13.2%. A 25.2% growth was registered for exports of travel services, especially personal trips by 24.7%, an increase of 14.3 was also registered for transport services, especially air transport by 35.8% and for IT services by 68.1%. The increase in imports of services was also due to the growth in imports of travel services by 16.2% and transport by 13.3%.

The capital account during January-June, 2017 has recorded a negative balance of 13.16 mln. USD, determined by the capital outflows recorded by the private sector (34.60 mln. USD), and after the decrease of inflows of external assistance received by public administration to fund the investment projects by 43.7% compared to the similar period of the previous year.

Financial account equated to 162.76 mln. USD as a result of net increases of liabilities of the national economy against foreign ones by 199.55 mln. USD after the actual transactions while the external financial assets of residents increased by 36.79 mln. USD.

Foreign direct investment

The international investment position of the Republic of Moldova continued its trend from the previous periods. In semester I of 2017 the international investment position was increasing and amounted to 3958.60 mln. USD.

Compared to semester I of 2016, the international investment position was up by 7.8%, and against the end of 2016 by 11.6% (the FDI stock in 2016 amounted to 3548.32 mln. USD). During semester I of 2017 the increase in the debtor balance of the international investment position was due to the exchange rate fluctuations of the original currencies against US Dollar (-275.76 mln. USD), net effective transactions with non-residents (-162.77 mln. USD), price changes (-55.25 mln. USD) of financial instruments while other changes (83.51 mln. USD) have influenced the debtor balance of position in the downward direction. All above-mentioned changes have resulted in a total deterioration of position at the end of semester I, 2017 of 410.27 mln. USD.

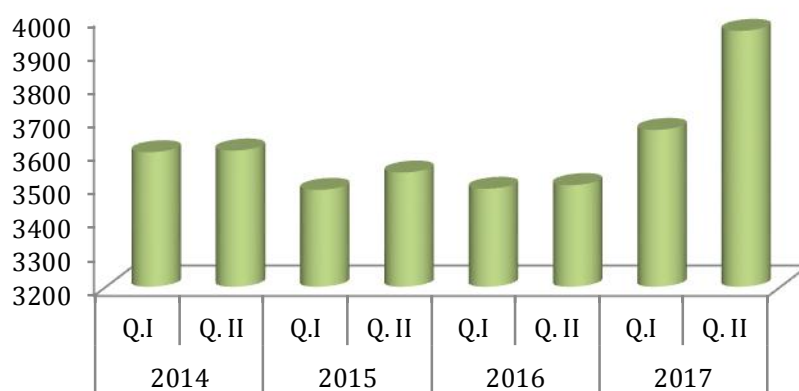


Figure 4.1. FDI stock by quarters in 2014-2017, mln. USD

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

In the geographical distribution of FDI of the total accumulated capital, the investors in the EU countries received the majority weight – 86.7%, the investors from CIS countries had a weight of 3.7%, those from other countries hold investment in the ratio of 9.6%.

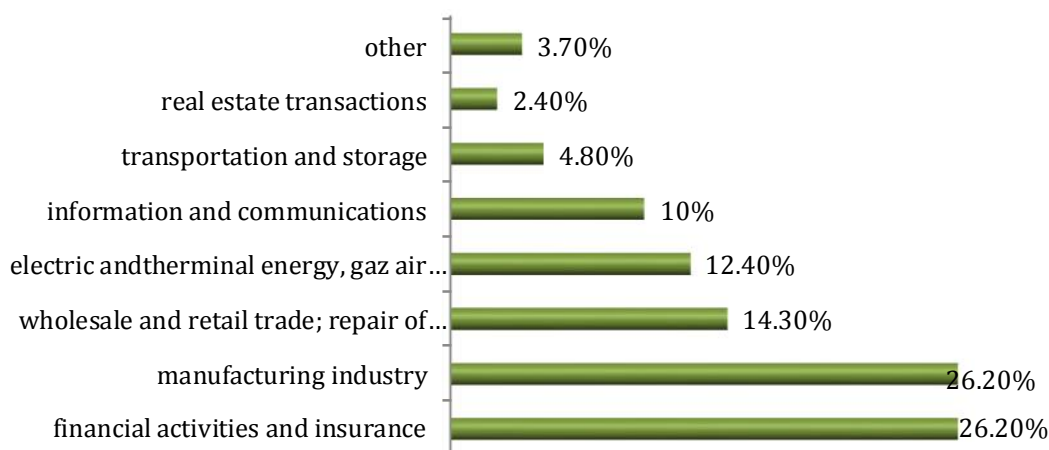


Figure 4.2. Distribution of FDI, equity capital accumulated on June 30, 2017, by activities

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

The main economic activities benefiting from foreign investment in the FDI stock as own capital are: financial and insurance activities 26.2% and manufacturing industry 26.2%. Other activities which attracted foreign investors were trade, energy industry, information and communications, transport and storage, real estate transactions.

Remittances from abroad

In the first semester of this year, the volume of remittances from abroad reached 551.7 mln. USD. This amount is higher compared to the previous quarter of the last year, after two years of decline.

In the first six months of 2017, the volume of remittances in Moldova in favour of individuals increased by 48.8 mln. USD (9.6%) compared to the reference period of 2016. The volume of remittances in favour of individuals in Semester I amounted to 551.7 mln. US dollars.

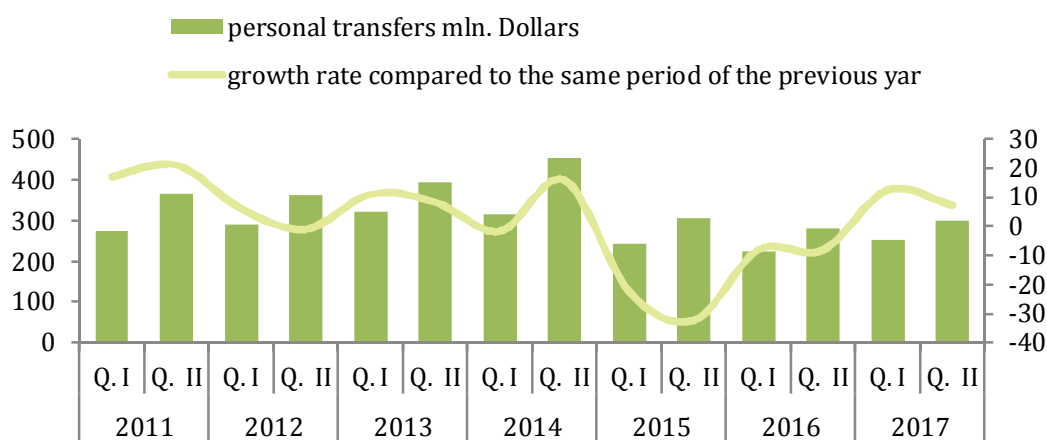


Figure 4.3. Remittances from abroad made in favour of individuals through Moldovan banks by quarters during 2011-2017, mln. USD

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

In quarter II of 2017, the volume of remittances from abroad amounted to 299.91 million US dollars by 7.4% more compared to the same period of the last year (279.44 mln. USD). This increase in the last two months a positive thing, however it is not sure that this development will be maintained given the family reunification living abroad. The amount is almost a half compared to 2014 when these remittances exceeded 505 million US dollars. ***In July***, the remittances accounted for 105 mln. US dollars, up by 8.4% compared to the same month of the last year.

According to the geographical origin of remittances in favour of individuals, the higher volume of remittances from Moldavians working abroad came from Russia, Italy and Israel.

The remittances from CIS held the weight of 36.3%, decreasing by 1.3 p. p. compared to quarter II of 2016. ***The remittances from EU*** recorded a weight of 33.7%, up by 1.2 p. p. compared with quarter II of 2016. Respectively, the remittances from other countries, except for CIS and EU amounted to 30% in quarter II, 2017 and 29.9% in quarter II, 2016. The weight of remittances from Israel, USA and Turkey in quarter II of 2017 amounted to 85.8% of the total of other countries.

The main partner of Moldova on remittances from CIS remains Russia. The remittances from Russia hold a major weight of 96.4% of total remittances from CIS. The remittances from other CIS countries have the following weights: Ukraine – 1.1%, Kazakhstan – 1.0%, Belarus – 0.6%, Azerbaijan – 0.3%, Uzbekistan – 0.3% and the rest of CIS countries – 0.3%.

In the case of *remittances from EU*, the remittances from Italy had the highest weight, of 36.0%, followed by remittances from Great Britain (14.8%), Germany (13.3%), France (8.3%), Spain (3.4%), Ireland (2.8%), Czech Republic (2.6%), Portugal (2.5%), Romania (2.3%), Belgium (2.2%), Poland (1.9) Cyprus (1.8%) and Greece (1.3%).

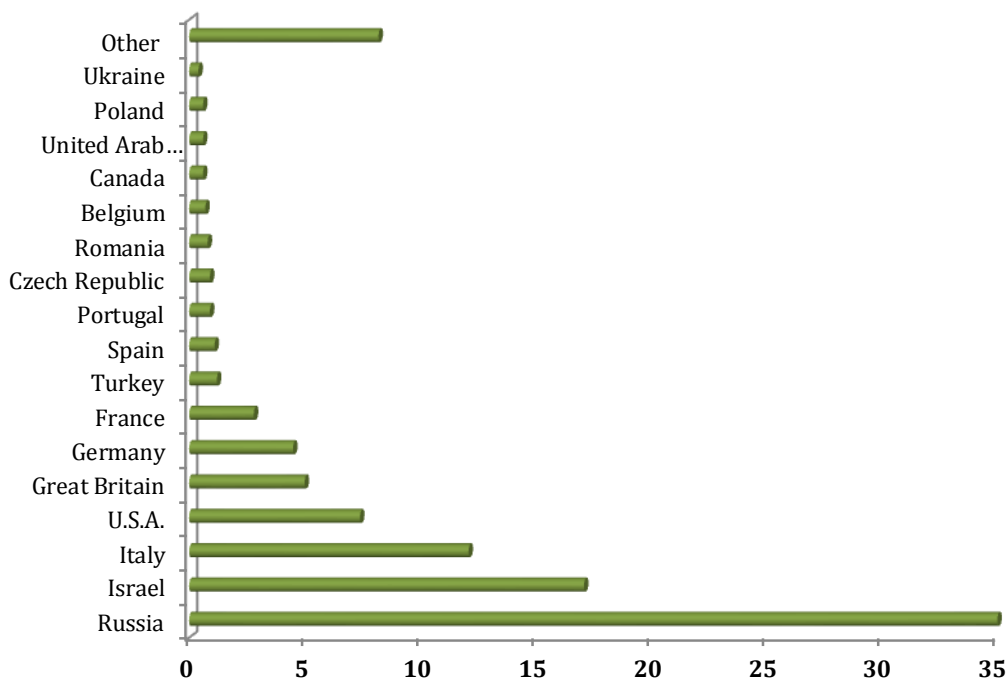


Figure 4.4. Structure by main countries of remittances from abroad made in favour of individuals in Q II, 2017, %

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

Distribution of remittances by countries, in Q. II, 2017 was allocated as follows: USA – 7.4% (22.24 mln. USD), Great Britain – 5% (14.91 mln. USD), Germany – 4.5% (13.45 mln. USD), France – 2.8% (8.36 mln. USD), Turkey – 1.2% (3.65 mln. USD), Spain – 1.1% (3.42 mln. USD), Portugal – 0.9% (2.56 mln. USD), Czech Republic – 0.9% (2.67 mln. USD), Romania – 0.8% (2.31 mln. USD), Belgium – 0.7% (2.18 mln. USD), United Arab Emirates – 0.6% (1.93 mln. USD), Poland – 0.6% (1.89 mln. USD), Canada – 0.6% (1.77 mln. USD), Cyprus – 0.6% (1.83 mln. USD), Ukraine – 0.4% (1.20 mln. USD) and Kazakhstan – 0.4% (1.12 mln. USD). The remittances in this nineteen countries (including Russia) represent 92.8% of total remittances in the Republic of Moldova (263.93 mln. USD).

Foreign trade in goods

In semester I, 2017 the foreign trade in goods increased by 14.5%, compared to the same period of the last year. Thus, the foreign trade in goods amounted to 3209.6 mln. US dollars (by 406.4 mln. USD more). One of the main factors which had an impact on foreign trade was the increase in the volume of agricultural production in 2016.

As a result, the exports of goods rose by 13.6% (in nominal terms), and imports by 15%. In absolute value, **the exports of goods**, during January-June, 2017 amounted to 1028.2 mln. USD, by 122.1 mln. USD more compared to the similar period of 2016. **The imports of goods**, in semester I of 2017 equated to 2181.4 mln. USD, by 284.3 mln. US dollars more.

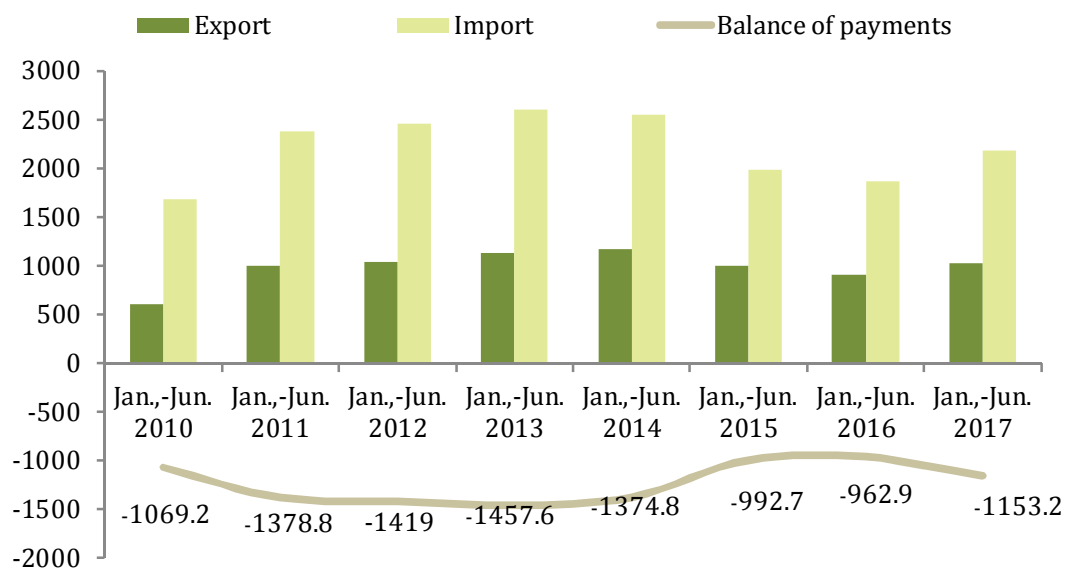


Figure 4.5. Trends of external trade in goods, January-June 2010-2017, mln lei

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

In semester I, 2017 the considerable gap between the development of exports and imports led to the accumulation of the **balance of trade deficit** to the tune of 1153.2 mln. USD, by 190.3 mln. USD (+19.8%) higher compared to the same period of 2016. The balance of trade deficit, **in June 2017** was by 3.6% lower or by 8 mln. USD compared to the one recorded in May and by 50.5 mln. USD higher (30.2%), compared to June 2016. The balance of trade deficit amounted to 217.7 mln. USD. In the case of trade by groups of countries, the balance of trade with **EU countries** ended in a deficit of 420.7 mln. USD (in January-June 2016 – 349.3 mln. USD), and with **CIS countries** - 325.9 mln. USD (in January-June 2016 – 284.9 mln. USD).

The degree of imports coverage by exports in January-June 2017 was 47.1%, compared with 48.5% during the respective period of 2016.

Table 4.2. Dynamics of trade exchanges in S I, 2016-2017, mln. US Dollars

	S I 2016 mln. US dollars	S I 2017 mln. US dollars	Dynamics 2017/2016 %
Foreign trade in goods	2803.2	3209.6	14.5
Export	905.5	1028.2	13.6
<i>Including:</i>			
<i>EU countries</i>	573.6	652.2	13.7
<i>CIS countries</i>	187.7	216.9	15.6
<i>Other countries</i>	144.2	159.1	10.3
Import	1868.3	2181.4	16.8
<i>Including:</i>			
<i>EU countries</i>	922.7	1072.9	16.3
<i>CIS countries</i>	472.5	542.8	14.9
<i>Other countries</i>	473.1	565.4	
Balance of trade	-991	-1153.2	16.4
Degree of imports coverage by exports	48.5%	47.1%,	-

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

In semester I of 2017 the exports of goods totaled 1028.8 mln. USD, by 13.6% more compared with semester I of 2016. The exports increased thanks to the demand from the main partner countries which still registered an economic growth (both from CIS and from EU).

The exports of goods aimed to **EU countries** amounted to 652.2 mln. USD, by 13.7% more compared to January-June 2016. The EU countries maintain their position as the largest market for goods from Moldova, with a weight of 63.4% of total deliveries on external markets (63.4% – in January-June 2016). The value of **exports of goods aimed to CIS countries** equated to 216.9 mln. US dollars, up by 15.6% in relation to January-June 2016. **The CIS countries in the exports of Moldova** had a weight of 21.1% (20.7% – in January-June 2016).

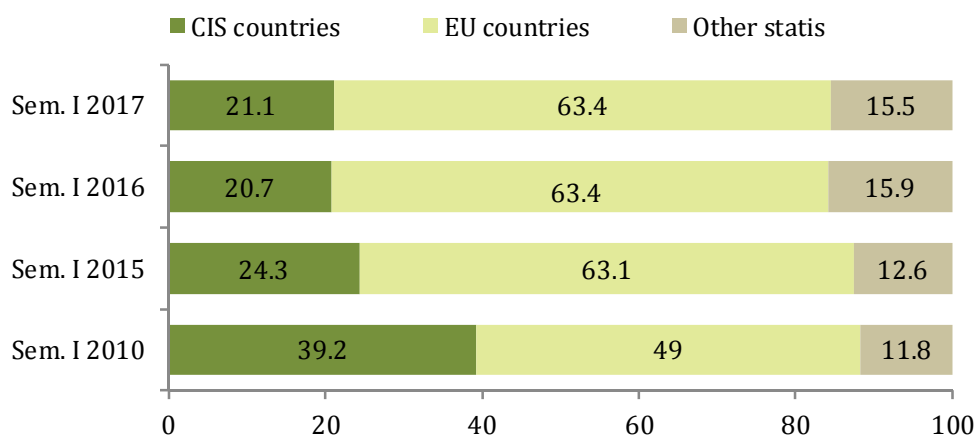


Figure 4.6. Structure of exports by groups of countries in S I, 2010-2017, %

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

Compared with the first semester of 2016, in semester I of 2017 the development of exports by groups of countries shows an increase in exports to: Romania (+16.5%), the Russian Federation (+19.5%), Turkey (+48.5%), Germany (+21.3%), Bulgaria (+31.2%), Spain (by 2.8 times), Ukraine (+28.1%), Austria (+38.5%), Poland (+10.7%), Greece (+34.4%), Belarus (+4.9%), Cyprus (by 3.7 times), Serbia (by 3.1 times), the Netherland (+23.1%), Italy (+2.3%), Georgia (+27.8%), the United Kingdom of Great Britain and Northern Ireland (+2.7%), Belgium (+35.7%), Saudi Arabia (by 4.1 times), United Arab Emirates (by 2.6 times), Hungary (+41.2%) and Canada (by 1.7 times), which favoured the increase in total exports by 15.1%. At the same time, the deliveries to Iraq (-58.8%), France (-24.1%), Lebanon (-31.9%), Egypt (-95.6%), Switzerland (-10.6%), Indonesia (-7.0%), Jordan (-54.6%) and Israel (-42.1%) have reduced.

The analysis in the development of exports by groups of goods in semester I, 2017 compared to the same period of the las year, registered increases on exports of machinery and electrical equipment (+29.0%), oil seeds and oleaginous fruits (+19.1%), fruits and vegetables (+13.8%), medicinal and pharmaceutical products (by 1.6 times), clothing and accessories (+8.3%), alcoholic and non-alcoholic beverages (+7.8%), cereals and cereal preparations (+8.9%), organic chemicals (by 1.6 times), petroleum, fuel and related products (by 2.8 times), milk products and poultry eggs (+43.2%), furniture and its parts (+5.6%), road vehicles (+25.8%), pre-fabricated constructions; other installations and fittings for sanitary, heating and lighting installations (by 2.5 times), yarns, fabrics and textile items (+7.5%), metal minerals and wastes (+41.7%), natural fertilizers and minerals (by 1.7 times), meat and meat products (by 1.9 times), raw and processed tobacco (+31.5%), which contributed to the increase in total exports by 13.7%. At the same time, **there were registered decreases in exports** of processed rubber (-85.4%), essential oils, aromatic substances (-23.5%), sugar, sugar preparations; honey (-12.4%), livestock (-47.9%), non-metallic mineral products (-14.3%), processed metal products (-10.5%), travel goods; bags and similar (-18.3%).

The exports of domestic goods amounted to 649.3 mln. US dollars (63.1% of total exports), increasing by 13.6% compared to January-June 2016 which contributed to the increase in total exports by 8.6%.

The re-exports of foreign goods totaled 378.9 mln. US dollars (36.9% of total exports), increasing by 13.5% against January-June 2016. The re-exports of goods after processing held 24.5% in total exports and the re-exports of classical goods did not experience essential transformations – 12.4%.

The imports of goods from EU countries in semester I of 2017 was increasing by 16.3%, compared to January-June 2016. Thus, the imports of goods from EU countries accounted for 1072.9 mln. USD holding a weight of 49.2% in total imports (49.4% - in January-June 2016). At the same time, the imports of goods from **CIS countries** were up by 14.9% compared to January-June, 2016. The imports of goods from CIS countries totaled 542.8 mln. US dollars equating to 24.9% in total imports (25.3% – in January-June 2016).

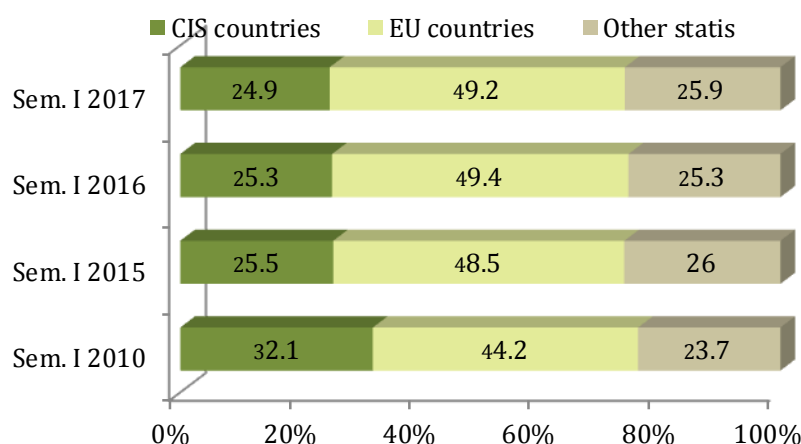


Figure 4.7. Structure of imports by groups of countries in S I, 2010-2017, %

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

The analysis of imports by countries in January-June 2017, compared to the similar period of 2016 reveals the increase in imports from Romania (+24.1%), Ukraine (+31.1%), China (+29.9%), Germany (+15.6%), Italy (+12.5%), Poland (+22.7%), Turkey (+8.5%), the Russian Federation (+3.8%), the United States of America (+29.3%), France (+17.5%), Hungary (+21.0%), Belarus (+17.1%), Viet Nam (by 1.9 times), Bulgaria (+16.8%), Czech Republic (+15.5%), Spain (+13.7%), Switzerland (+27.5%), the Netherland (+15.1%), Slovakia (+37.9%), Macedonia (by 1.9 times), India (+17.8%), Slovenia (+27.4%) and Bangladesh (by 1.7 times), which favoured the increase in total imports by 16.4%. At the same time, the deliveries from Israel (-33.9%) and the United Kingdom of Great Britain and Northern Ireland (-7.2%) have declined.

The structure of imports by groups of goods, in semester I, 2017 compared to the same period of 2016 have registered growths in: petroleum, fuel and related products (+31.2%), electricity (by 137.6 times), medicinal and pharmaceutical products (+37.7%), machinery and electrical equipment (+17.9%), telecommunication appliances and equipments (+48.8%), industrial machinery and appliances with general applications (+26.0%), clothing and accessories (+29.6%), road vehicles (+13.6%), specialized machinery and appliances for specific industries (+22.6%), sugar, sugar preparations; honey (by 1.9 times), footwear (by 1.8 times), non-ferrous metals (+33.7%), milk products and poultry eggs (+39.2%), travel goods; bags and similar (by 4.1 times), processed metal items (+12.1%), yarns, fabrics and textile items (+5.0%), non-metallic mineral products (+13.8%), coal, briquettes (by 3.0 times), mineral or chemical fertilizers (+21.5%), processed plastics (+14.7%), meat and meat products (+40.3%), professional, scientific and control apparatus and appliances (+23.4%), furniture and its parts (+18.8%), wood products

(+13.7%), thus facilitating the increase in total imports by 15.6%. At the same time, the imports of gas and industrial gas products (-18.4%), processed rubber (-11.0%) decreased.

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

During semester I of 2017 the Transnistrian region has registered a decrease in the external trade. The external trade transactions in goods decreased by 1% against the same period of the last year. In semester I, 2017 the external trade transactions in goods amounted to 700.1 mln. US dollars.

The export of goods accounted for 252.4 mln. US dollars decreasing by 2%, compared to the similar period of the previous year. At the same time, **the imports of goods** have also decreased by 0.3% in relation to the same period of the last year and totaled 447.7 mln. USD. **The balance of trade** amounted to 178.5 mln. USD.

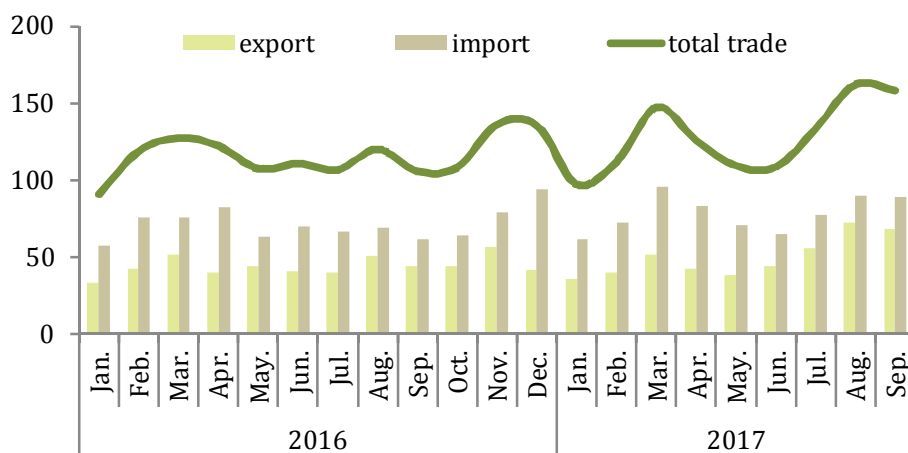


Figure 4.8. Dynamics of external trade in the region of the Republic of Moldova to the left of the Dniester River in S I, 2016 - 2017, mln. USD

Source: According to the data, [http:// mer.gospmr.org/](http://mer.gospmr.org/)

During January-June 2017 the region of the Republic of Moldova in the left of the Dniester River made external trade transactions in 78 countries (in January-June 2016 in 84 countries) including 10 CIS countries. The exports and imports to CIS countries have registered a negative trend of 3.3% and 4.7%, respectively.

The exports of goods to Eurasian Customs Union in the first half of 2017, amounted to 32.8 mln. USD (13% of the total), increasing by 1.6 times against the previous year. **The imports numbered** 199.6 mln. USD (45% of total imports). The main partner of Transnistria is traditionally the Russian Federation, in the first half of 2017 its weight equated to 86% of turnover between the countries of the Eurasian Customs Union. The best selling products are from light industry (for several types of products there was an increase up to 4 times), electrical equipments (by 1.5 times), fruits and vegetables (up to 2 times), alcoholic beverages. Fuels, raw materials and materials as well as appliances, food products were imported from the Russian Federation.

The exports to EU countries amounted to 90.1 mln. USD (36% of total volume), declining by 3% compared to the last year. **The imports to EU countries** accounted for 88.1 mln. USD, (20% of total volume). The main partner from EU is Romania, its weight being of 8% in trade with EU countries. The main goods exported to EU are textiles, footwear, clothing, metallic products, alcoholic products, cereals and other agricultural products. Raw materials and materials, appliances were purchased from EU.

The exports to **other countries** amounted to 129.4 mln. USD, 58% of total exports of which 88.1 million US dollars in the Republic of Moldova and the imports to other countries were 49.2 mln. USD.

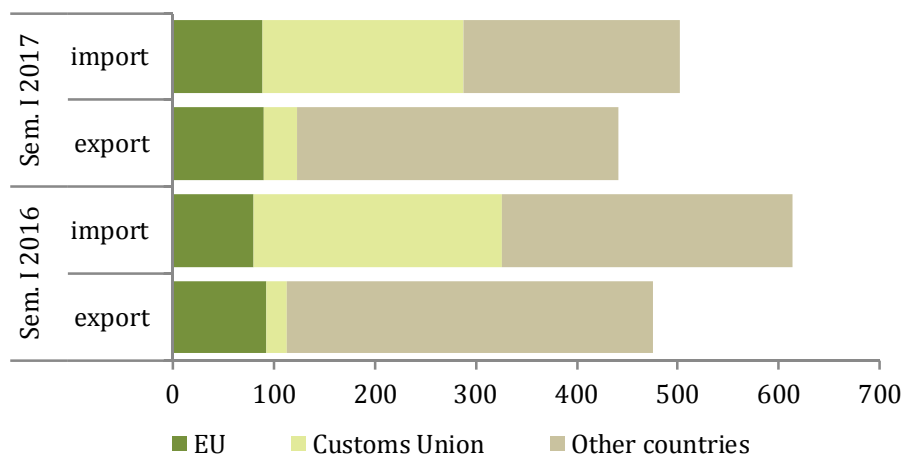


Figure 4.9. Dynamics of external trade in the region of the Republic of Moldova to the left of the Dniester River by main groups of countries during the period January-July, 2016 - 2017, mln.USD

Source: According to the data, <http://customs.gospmr.org/category/c69-statistika-vyed>

Chapter V BUSINESS ENVIRONMENT

Dynamics of registered and deregistered enterprises in semester I, 2017.

On July 1, 2017 the State Register had informations about 170.596 legal entities and individual entrepreneurs according to the data of the State Registration Chamber

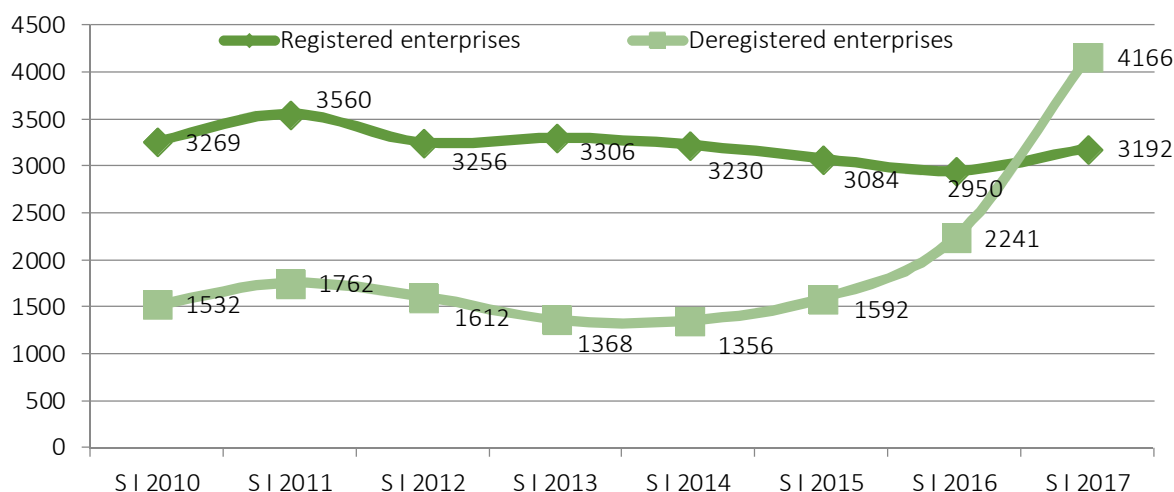


Figure 5.1. Dynamics in the number of registered and deregistered enterprises in semester I 2010-2017, unit.

Source: According to the data of the State Registration Chamber.

In SI, 2017 the number of enterprises registered by the State Registration Chamber increased by 8.2% sply. In SI, 2017 3192 new enterprises were recorded in the State Register according to the State Registration Chamber. Simultaneously, in SI, 2017 the number of deregistered enterprises marked the highest growth compared to the similar period of 2011-2016. Thus, in SI, 2017 the number of enterprises deregistered from the State Register increased by 85.9% sply amounting to 4166 enterprises.

Table 5.1. Growth indices in the number of registered and deregistered enterprises in S I 2011-2017 compared to the same period of the previous year, %

Period	Enterprises registration	Enterprises deregistration
Semester I 2011	108.9	115.0
Semester I 2012	91.5	91.5
Semester I 2013	101.5	84.9
Semester I 2014	97.7	99.1
Semester I 2015	95.5	117.4
Semester I 2016	95.7	140.8
Semester I 2017	108.2	185.9

Source: Author's calculations according to the data of the State Registration Chamber.

In S I of 2011 – 2017 there is seen a decreasing trend in the number of registered enterprises (excepting SI 2011, SI 2013, SI 2017, when a slight increase was recorded sply). In SI, 2017 this indicator has reduced up to 3192 registrations declining by 10% compared to semester I, 2011 when 3560 registrations across the country were recorded.

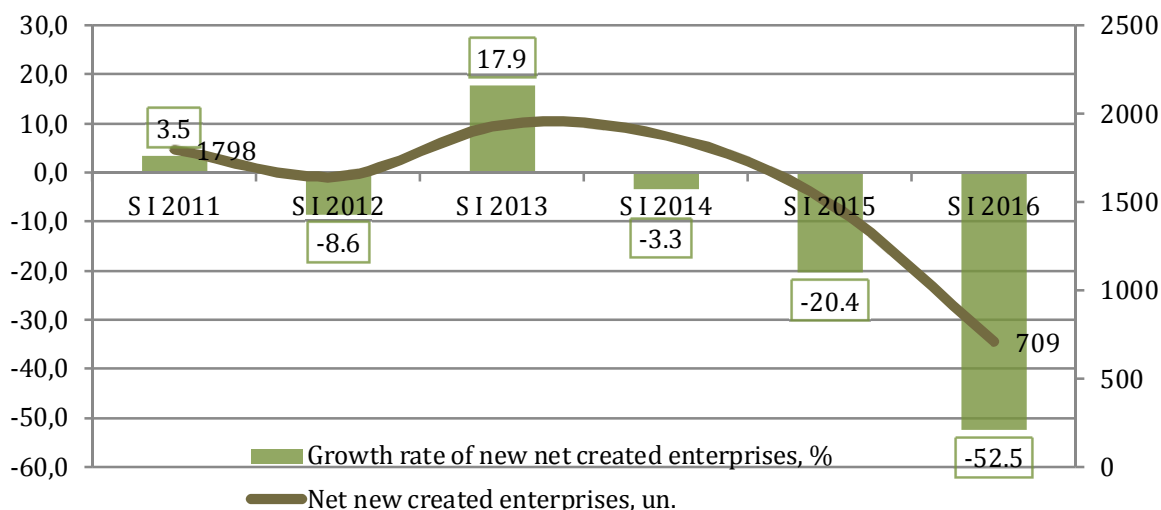


Figure 5.2. Dynamics in the net number of enterprises registered in the State Register in SI 2011-2016

Source: Author's calculations according to the data of the State Registration Chamber.

On the other part, a negative thing is the increase in the number of enterprises deregistered from the State Register. Thus, if in SI, 2011 1762 enterprises were deregistered from the State Register, in the first half of 2017 their number reached 4166 enterprises, growing by 2.3 times.

At the same time, in SI 2011-2016 there is noticed a negative trend in the net number of created enterprises, their number decreasing during the analyzed period by 61% (excepting for the first half of 2011 and 2013, which marked an increase in the net number of new enterprises sply, by a growth trend of 3.5%, 17.9%, respectively). In SI of 2017, the net number of new enterprises has also marked a negative value representing that the number of deregistered enterprises during this period exceeded considerably the number of registered enterprises.

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

During January-June 2017 in the region to the left of the Dniester River 48.0% of organizations and enterprises achieved profit amounting to 108 organizations, declining by 9.2% compared to the previous year and 50.7%, respectively have recorded losses (except for small enterprises, banks, public and insurance organizations). Among the organizations which in semester I, 2017 achieved profit, the housing and utility services household (66.7%), trade and food service (57.4%), transport (57.1%) hold the highest weight. In terms of value, as in the same period of the previous year, most enterprises have recorded a net loss (excepting transport, trade and food service enterprises, housing and utility services household).

Table 5.2. Data on net profit (loss) of organizations from the left bank of the Dniester River by types of activity in January-June, 2017

	Organizations achieving profit	In % of total number	Organizations recording loss	In % of total number	Net profit (net loss), thousand RUB.
A	1	2	3	4	5
Total	108	48.0	114	50.7	-256.261
including:					
Industry	25	37.9	41	62.1	-223.870
Agriculture	10	47.6	10	47.6	-93.004
Transport	16	57.1	12	42.9	17.887
Communications	4	44.4	5	55.6	-8.425

Table 5.2 – continue

<i>A</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
Constructions	1	11.1	8	88.9	-6.671
Trade and food service	31	57.4	22	40.7	122.184
Housing and utility services household	10	66.7	4	26.7	6.028
Other branches	4	40.0	6	60.0	-23.511

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

Chapter VI SOCIAL SECTOR

Demographic situation

In quarter II of 2017, the values of several indicators of natural movement, such as: number of live births, deaths, marriages, divorces have reduced. The decrease in the number of live births was higher compared to the decrease in the number of deaths. The decrement in the number of divorces was also higher compared to the decline in the number of marriages.

In quarter II of 2017, the total number of live births in the country amounted to 16868 pers., declining by 7.6% compared to the same period of the previous year, the birth rate was 9.5 live births per 1000 inhabitants, down by 0.8 p.p. sply compared to the data of the NBS. The number of deaths accounted for 19775 pers., recording a decrease of 1.9% sply and mortality rate reached 11.2 deaths per 1000 inhabitants, down by 0.2 p.p. sply. The number of deaths of children aged under 1 year, in quarter II of 2017 amounted to 174 cases reducing by 5 cases compared to the similar period of the last year. The natural increase in quarter II, 2017 numbered -2907 persons (-1902 persons in the same quarter of the previous year) or -1.6 persons per 1000 inhabitants (-1.1 persons per 1000 inhabitants in the similar quarter of the last year). The natural decrease for quarter II became the most pronounced in the last 7 years.

The total number of *marriages* in the country, in Q II of 2017 amounted to 8060, declining by 6.9% against the same period of the last year and marriage rate equated to 4.6 marriages per 1000 inhabitants reducing by 0.3 p.p. sply. In the case of divorces in the country, this indicator reached 4980, declining by 10.7% compared to the same period of the previous year. The divorce rate amounted to 2.8 divorces per 1000 inhabitants, by 0.4 p.p. less sply.

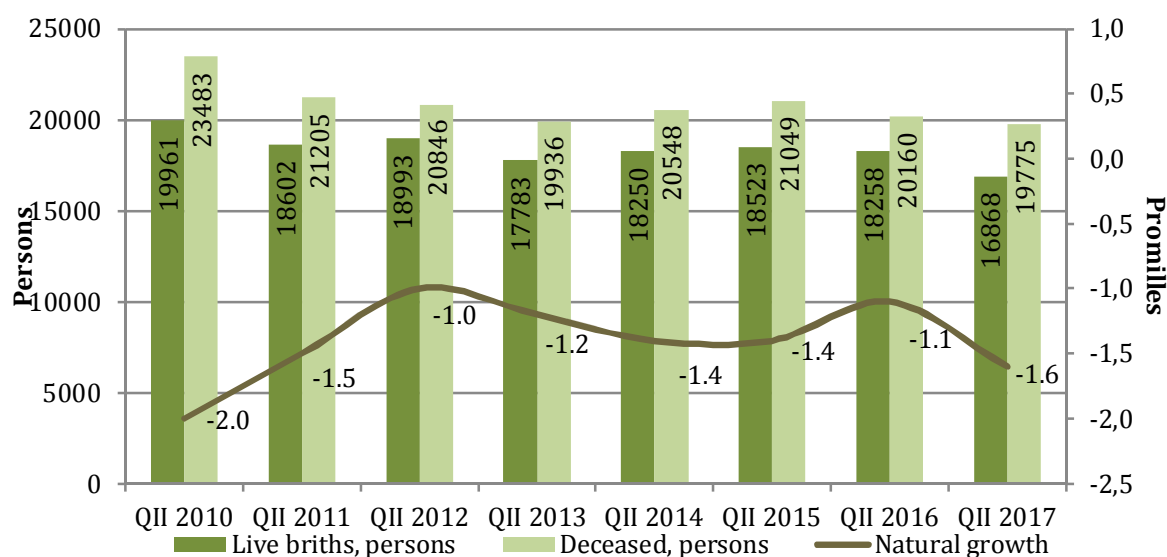


Figure 6.1. Natural movement of population in quarter II in 2010-2017

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

In Q II, 2017 the population aged 15 and over working or seeking a job abroad amounted to 314.8 thousand pers., by 0.6 thousand pers. or by 0.2% less compared to the same period of the previous year. The men hold the major weight (67.6%). Most of these immigrants are from rural area

(70.1%). Among men prevail the immigrants aged between 25 and 34 years (40.7%), 18.9% – between 15 and 24 years, 21.8% – between 35 and 44 years. Among women, 27.5% of these are between 25 and 34 years, 28.1% – between 35 and 44 years and 14.3% – between 15 and 24 years.

Labor market

In Q II of 2017, the indicators on economic activity of labor such as economically active population, employed population, activity rate, number of unemployed and unemployment rate have reduced compared to the similar period of the previous year. The NEET group had a weight of 28.2% of population aged 15-29 years. People who do not want to work amount to 79.7% of inactive population (aged 15 and over), which is 55.9% of total population of this age group.

In quarter II of 2017 the economically active population amounted to 1316.0 thousand pers., reducing by 3.4% or by 46.9 thousand pers., compared to the same quarter of the previous year. At the same time, the activity rate of population was 44.1% reducing by 1.6 p.p. sply. Among economically active population there were not registered any significant discrepancies between men (51.6%) and women (48.4%), while in terms of area there are disparities, the activity rate being higher in rural area (55.8%), compared to urban one (44.2%). In the age group of 15-29 years, the weight of economically active population accounted for 31.1%, and in the group of 15-64 years – 48.8%. The economically activity rate of working age population (according to national legislation: 16-56 years – women and 16-61 years – men) numbered 51.3%.

Employed population amounted to 1270.3 thousand pers, in Q II, 2017 declining by 2.9% sply. As in the case of economically active population there were no discrepancies by gender – men – 51.4% and women – 48.6%. The weight of employed population in urban area was lower in relation to rural area: in urban areas – 43.5%, in rural areas – 56.5%. The employment rate of population aged 15 and over reached over 42.6%, declining slightly compared to the level of the same period, last year (43.8%). It was higher for men – 46.3% against women (39.2%). By distribution of residence area, the employment rate was – 42.9% in rural area exceeding slightly that in urban area – 42.2%. The employment rate of working age population (16-56/61 years) amounted to 49.3%, of people aged 15-64 years – 47.1%, and age group of 15-29 was 29.2%.

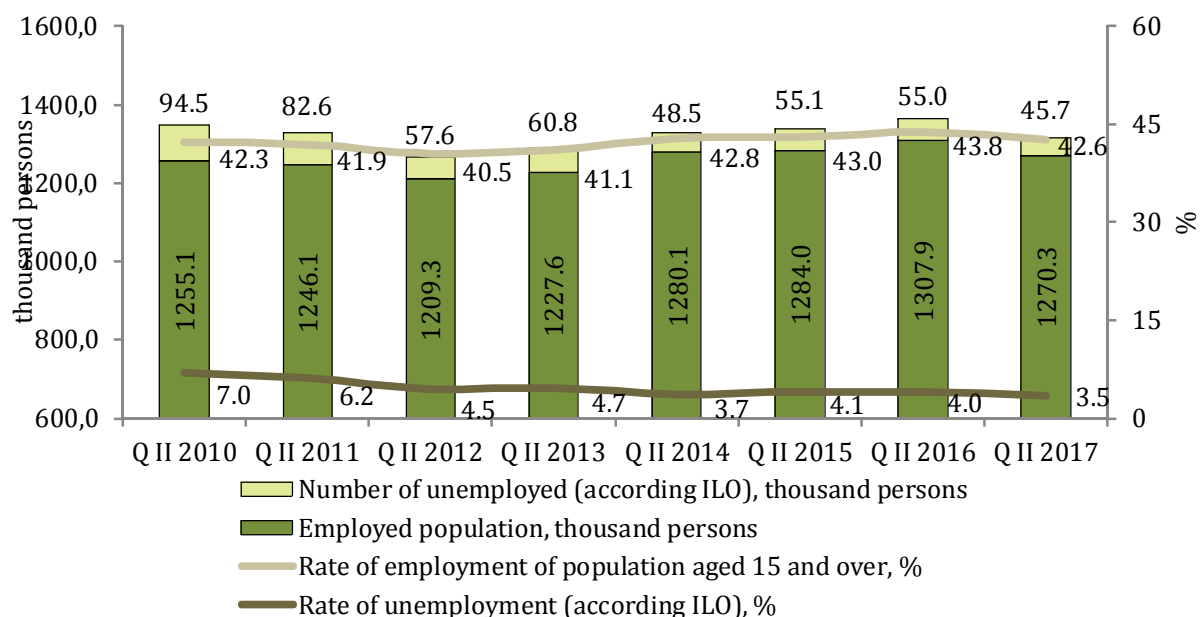


Figure 6.2. Dynamics of activity, employment and unemployment rates of population aged 15 and over in quarter II in 2010-2017

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

The number of unemployed, amounted to 45.7 thousand pers., by 16.9% lower sply (55.0 thousand) according to the International Labour Office. The unemployment was higher among men – 56.0% of total unemployed as well as among people in urban areas – 63.6%. *The unemployment rate* across the country in quarter II of 2017 was 3.5%, declining by only 0.5 p.p. sply (4.0%). The unemployment rate for men accounted for 3.8%, and for women – 3.2%. There were discrepancies in the unemployment rate between urban and rural areas (5.0% and 2.3%, respectively). Among young people (15-24 years) the unemployment rate was 10.1%, and in the age group of 15-29 years 6.2%.

The inactive population in the country (aged 15 and over) in Q II, 2017 amounted to 1667.9 thousand pers., forming 55.9% of total population of this age reducing by only 1.5 p.p. sply. Inactive population includes:

- *people who don't want to work* (1329.2 thousand pers. or 79.7% of inactive population), of them:
 - a) *pensioners* (596.8 thousand pers. or 44.9% of people who don't want to work);
 - b) *people who don't want to work because study or learn* (252.3 thousand pers. or 19.0% of people who don't want to work);
 - c) *persons who don't want to work for an income because they take care of family* (214.9 thousand pers. or 16.2% of people who don't want to work);
 - 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* (211.4 thousand pers. or 15.9% of people who don't want to work);
- *people announced by households as working or seeking a job abroad* (314.8 thousand pers. or 18.9% of inactive population);
- *discouraged persons to find a job in the country* (6.8 thousand pers. or 0.4% of inactive population).

The NEET group consists of young people aged 15-29 years who are not in Education, Employment or Training. In Q II of 2017, this group held a weight of 28.2% of population aged 15-29 years (excepted the population working or seeking a job abroad).

Remuneration of labor

Quarter II of 2017 is characterized by a growth both in average monthly nominal salary (5636.7 MDL) by 13.2 and in average monthly real one – by 5.7% % against the same quarter of the the previous year. In the public sector, the average monthly salary (4924.2 MDL) increased by 13.2% sply, in a greater measure than the average monthly salary in the real sector (5924.7 MDL), which grew up by 13.0% sply. The highest paying types of economic activities are: Information and communications, Financial and Insurance activities and Production and supply of electricity, heat energy, gas, hot water and conditioned air.

In the second quarter of 2017, the gross average monthly nominal salary amounted to 5636.7 MDL, increasing by 13.2% against Q II of 2016. The real salary index for quarter II of 2017 against Q II of 2016 (calculated as ratio between the gross nominal salary index and consumer price index) accounted for 105.7%, up by 5.7% compared to the level of quarter II, last year. In quarter II of 2017 the average monthly salary in public sector was 4924.2 MDL (more by 13.2% compared to Q II of 2016), in real sector – 5924.7 MDL (more by 13.0% compared to Q II of 2016). According to the types of economic activities, the highest average monthly salary in Q II, 2017 has been registered in: *Information and communications* – 12553.8 MDL (222.7% of average salary),

***Box 6.1. Rise in salaries of teaching and teaching-scientific staff
in state educational institutions***

Since September 1, 2017 the salaries of teaching and teaching-scientific staff in state educational institutions have increased by 5,3%. The Ministry of Labour, Social Protection and Family of the Republic of Moldova drew up the draft law on the salary system in the public sector according to which the average salary in education is equal to the average one of 5300 MDL for 2017.

Following these increases, the salaries of teaching and teaching-scientific staff in state educational institutions are as follow:

- Rector – 5977 MDL,
- University Professor – 4485 MDL,
- Associate Professor – 4035 MDL,
- Senior Lecturer – 3734 MDL,
- Assistant Lecturer, trainer, master – 3289 MDL,
- Highly-qualified teacher and schoolmaster in universal and vocational education – 3289 MDL, and for the secondary specialized-qualified ones – 2688 MDL,
- Teaching staff in vocational education, except for highly-qualified teachers with higher education – 2983 MDL, secondary specialized-qualified ones – 2688 MDL.

According to the National Bureau of Statistics of the Republic of Moldova, the average monthly salary forecast for the current year amounts to 5600 de MDL.

Source: <https://monitorul.fisc.md/editorial/salariile-profesorilor-vor-crete-cu-113.html>

Financial and Insurance activities – 10503.2 MDL (186.3%), *Production and supply of electricity, heat energy, gas, hot water and conditioned air* – 9981.9 MDL (177.1%). In Q II of 2017 the lowest salaries were found in the following economic activities: *Art, leisure and recreation activities* – 3307.2 MDL (58.7% of the average salary), *Agriculture, forestry and fishing* – 3554.6 MDL (63.1%) and *Accommodation and food service activities* – 3680.1 MDL (65.3%).

In Q II of 2017, the disposable revenues of population amounted to 2227.6 MDL on average per capita monthly increasing by 9.8% sply. In real terms, the revenues of population have registered an increase of 2.5%. The most important sources of revenues remain to be: salaries (43.2%), social benefits (22.0%) and remittances from abroad (17.7%).

In quarter II of 2017, the disposable revenues of population averaged out at 2227.6 MDL per capita monthly, by 9.8% more sply. In the second quarter of 2017, in real terms the revenues of population adjusted to the consumer price index have recorded a growth of 2.5%. The contribution of salaries in the revenues structure of population still remains the most important financial source. The revenues from salaries represent 43.2% of total disposable revenues, their weight being down by 2.1 p.p. compared to quarter II of 2016. The social benefits are the second significant source of revenues of Moldavians amounting to 22.0%, growing by only 0.6 p.p. sply. The self-employment activities with a weight of 13.8% of the average monthly revenues per capita of which from agricultural individual activities – 7.3%, and from non-agricultural individual activity – 6.5% have also contributed to the formation of revenues. Another important source for the household budget are the remittances from abroad. These represent 17.7% of total revenues or by 0.5 p.p. less sply. The revenues of population from urban area were on average by 651.1 MDL higher or by 1.3 times higher than the ones 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 55% (increasing by 3.3 p.p. sply) and social benefits – 19.7% (decreasing by 1.3 p.p. sply). The revenues of population in rural area are generated on the basis of salaries in the ratio of 31.1%, 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 13.8% of total disposable revenues.

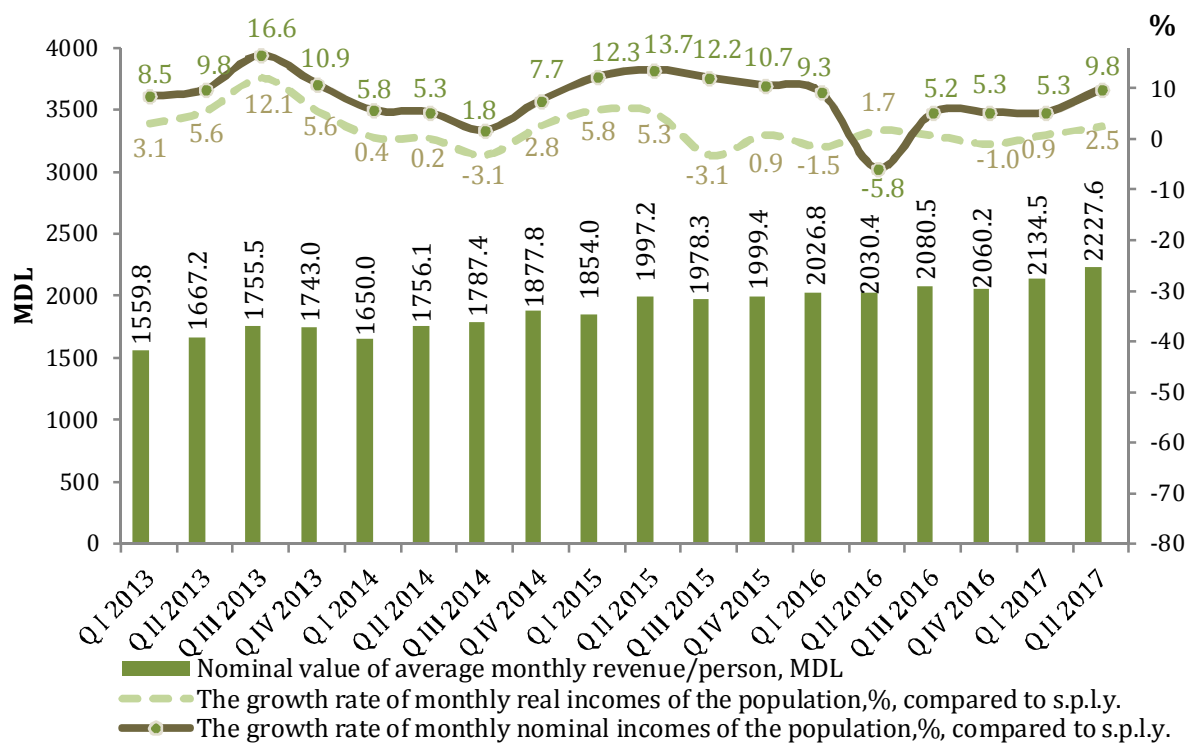


Figure 6.3. Dynamics of disposable revenues of population, nominal value and growth rates by quarters, Q I 2013 – Q II 2017

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

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 24.3%, while in urban areas their weight was of 19.7%, and remittances from abroad in villages hold a weight of 23.3%, while in cities this weight accounts for 12.2%.

The average monthly consumption expenditures of population in Q II of 2017, amounted to 2245.3 MDL per capita increasing by 8.0% compared to Q II, 2016. In real terms adjusted to the consumer price index, the expenditures of the population increased on average by 0.8% sply. The largest part of expenditures continues to be directed towards: food consumption (44.3%), housing maintenance (18.4%) and clothing and footwear (10.4%).

The average monthly consumption expenditures of population in Q II of 2017 amounted to 2245.3 MDL per capita increasing by 8.0% sply. In real terms (ajusted to the consumer price index), the expenditures of population increased on average by 0.8% sply. In Q II of 2017, the food consumption is the highest part of expenditures – 44.3% (43.4% in Q II of 2016).

The housing maintenance expenditures had a weight of 18.4% of total consumption expenditures on average per capita (18.5% in Q II, 2016). The clothing and footwear expenditures accounted for 10.4% (10.7% sply), for health services – 5.5% (5.8% sply), for communications - 4.5%, transport – 3.9%, housing facilities – 3.8%, education - 0.5%, etc. The monthly consumption expenditures of population in urban area equated to 2626.9 MDL on average per capita, by 672.9 MDL or by 1.3 times more as in rural area. The population in urban area directed 41.9% of monthly consumption expenditures (41.2% in Q II of 2016) towards food consumption, and in rural area – 46.87% (45.9% in Q II of 2016). At the same time, the urban population spent more for housing maintenance – 19.2% versus 17.6% in rural area, for communications – 4.7% versus 4.4%, for transport – 4.2% versus 3.5%, for hotels, cafes and restaurants – 2.2% versus 0.7%, leisure services – 2.0% versus 0.4%. The rural population spent more for clothing, footwear – 10.5% in comparison with 10.2% in urban area, for health services – 6.0% (against 5.0% in urban area) and for housing facilities – 4.5% versus 3.2%.

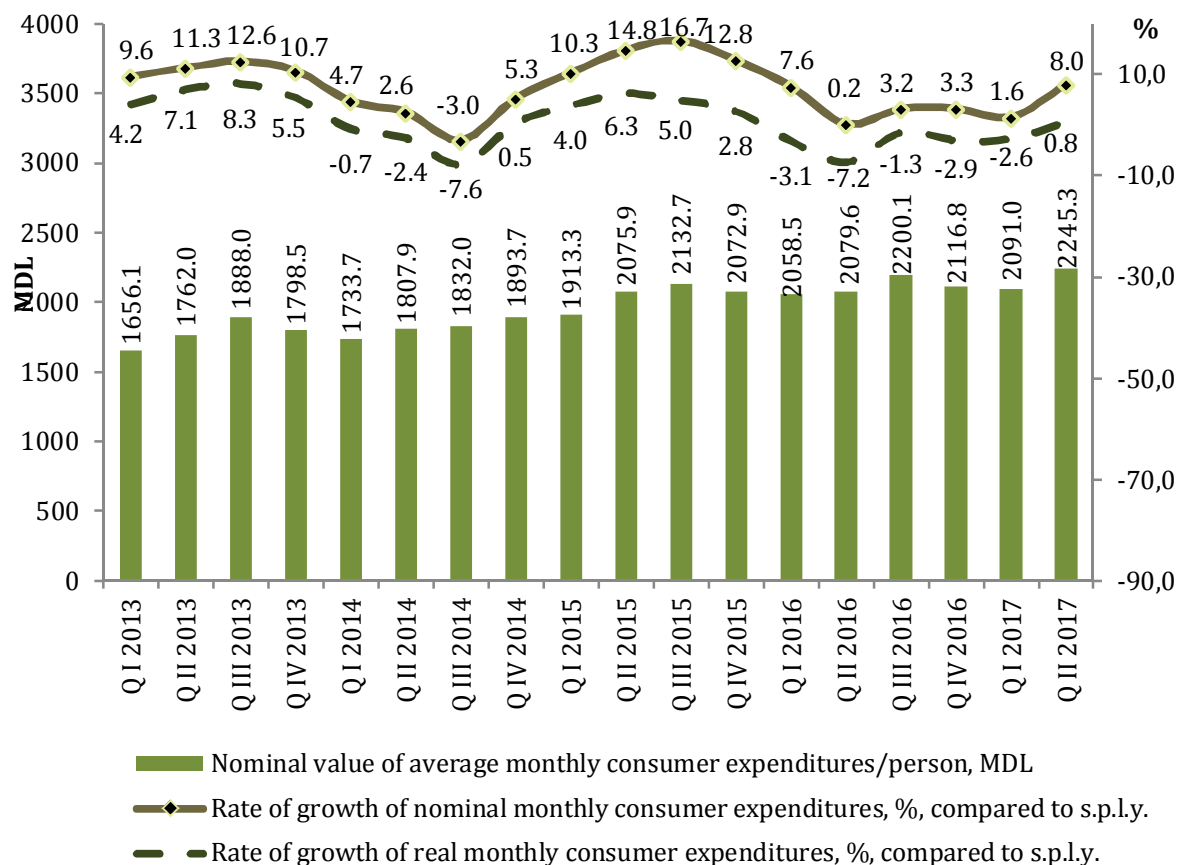


Figure 6.4. Dynamics of consumer expenditures, nominal value and growth rates by quarters, Q I 2013 - Q II 2017

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

Box 6.2. Increase of tariffs on heat energy for final consumers from Chisinau and Balti

As of March 24, 2017 in the Official Journal has been published the Decision of the National Energy Regulatory Agency No. 109 of March 17, 2017 on tariffs on heat energy delivered to consumers by S.A. „Termoelectrica” for final consumers from Chisinau and Balti connected with „Termoelectrica” and „CET-Nord” system.

This new heat tariff for S.A. „Termoelectrica” consumers which became effective on May 1, 2017 will be applied since the following heating season.

The new tariff on heat energy delivered to S.A. „Termoelectrica” consumers has been approved in the amount of 1122 MDL per Gcal (without VAT) and increased by 5%, compared with the previous tariff which accounted for 1068,22 MDL per 1 Gcal according to the decision of Managing Board of the National Energy Regulatory Agency.

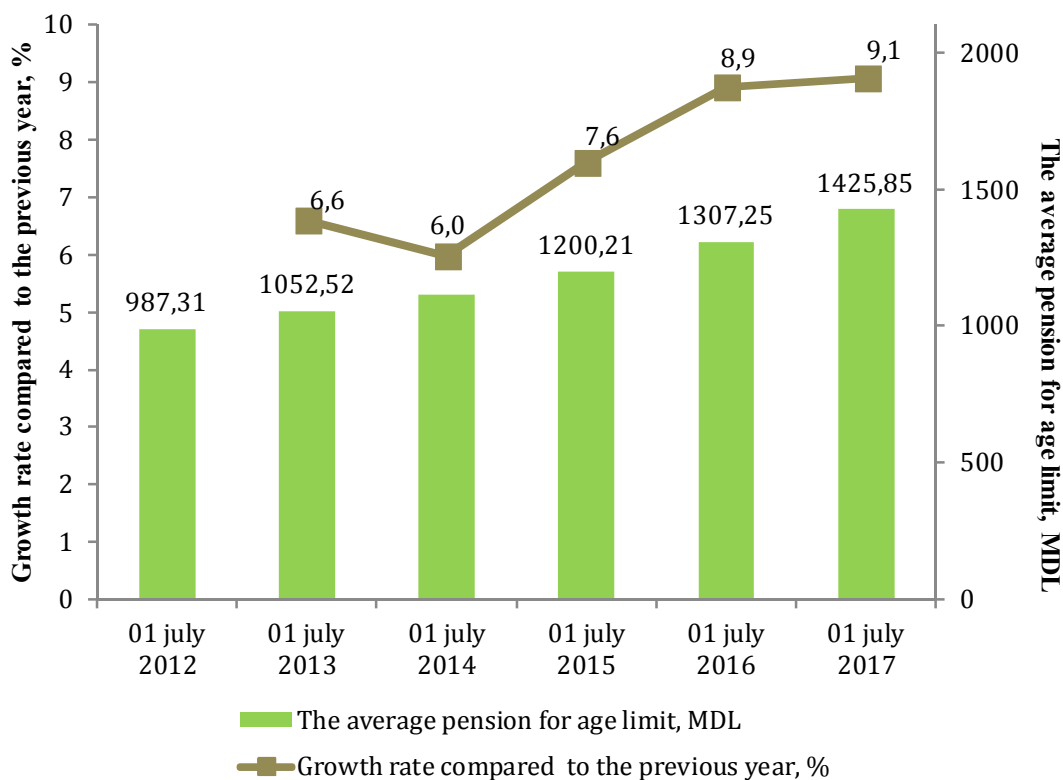
At the same time, the new tariff on heat energy delivered to S.A. „CET-Nord” consumers will be 1220 MDL per 1 Gcal (without VAT) and will increase by 15,5% (from 1 056 MDL per Gcal).

Source: <http://lex.justice.md/viewdoc.php?action=view&view=doc&id=369581&lang=1>

Social protection of population. According to the data of the National House of Social Insurance, the number of pensioners registered to the social protection bodies as of July 1, 2017 amounted to 712.5 thousand pers. or by 28.8 thousand pers. more compared to July 1, 2016. On July 1, 2017 the monthly average pension amounted to 1484.72 MDL, up by 16.1% against July 1, 2016.

Subsistence minimum. In semester I, 2017 the average monthly subsistence minimum amounted to 1866.3 MDL per person, increasing by 2.9% sply. In case of cities it accounted for 2015.6 MDL, by 2.2% more sply. The subsistence minimum was 1836.7 MDL in towns, by 4.5% more sply. In villages it equated to 1809.9 MDL, by 2.4% more sply. The co-ratio between the average monthly salary and subsistence minimum for working age population in semester I of 2017 was 2.7 times compared to 2.5 times sply.

Box 6.3. Dynamics of average amount of pension for retirement age



In the above-mentioned graph there can be noticed that the growth rate in the amount of average pension for retirement age has continuously increased since July 1, 2014 reaching 1425,85 MDL on July 1, 2017 with the growth rate of 9,1% in comparison with the similar period of the previous year. As it can be noticed in the graph, the increase in the pension for retirement age due to the valorization of the insured income is not significant as it was foreseen according to the pension reform. This is due to the fact that the valorization took place only for pensions set during 2001-2008, only for 68014 pensioners, i.e. about 12,8% of the number of pensioners for retirement age (532039 persons (until indexing) on April 1, 2017).

According to the NHSI information, the amount of pension for retirement age increased on average by 131,69 MDL. The number of pensioners for retirement age who achieved a higher increase amounted to 22135 persons or about 32,5% of total number of pensioners for retirement age, their pensions being subject to valorization (68014 persons). The amount of valorization varies according to the achieved income and the period it was made. For example, the pension for retirement age which was set in 2005 has increased on average by 105,54 MDL following valorization and the pension set in 2008 grew up by 193,39 MDL.

Source: <http://www.cnas.md/libview.php?l=ro&idc=360&id=4393&t=/Mass-media/Noutati/Pensiile-pentru-83358-de-persoane-au-fost-valorizate>

<http://www.cnas.md/lib.php?l=ro&idc=244&t=/Statistica/>

Box 6.4. Increase of retirement age and contribution

According to the amendments made in the Law on the public pension system no. 156-XIV as of October 14, 1998, the increase of the gradual retirement age and contribution both for men and for women became effective since July 1, 2017.

According to the National House of Social Insurance of the Republic of Moldova, the standard retirement age of 63 years for men will be reached on July 1, 2019 and for women – on July 1, 2028. The reach of these ages will be made through the annual increase of the standard retirement age for men with 4 months and for women with 6 months.

Thus, the retirement contribution for men and women will be equal to 34 years. It will be set since July 1, 2018 for men and since July 1, 2024 – for women.

Source: <http://www.cnas.md/libview.php?l=ro&idc=360&id=4392&t=/Mass-media/Noutati/De-la-1-iulie-incepe-majorarea-treptata-a-varstei-de-pensionare-si-a-stagiului-de-cotizare>

Social development of the region to the left bank of the Dniester River⁵

Demographic situation. In the second quarter of 2017, the natural decrease of population amounted to 1338 pers., increasing by 5.4% compared to the same period of the previous year. During January-June, 2017 2164 live births were registered representing 96.2% sply, and the number of deaths reached 3502 pers., representing 99.5% sply. During January-June of 2017, the number of deaths caused by coronary heart diseases increased by 3.4%, from neoplasmas (tumours) – by 1.7%, while the deaths caused by poisons, lesions and murders decreased by 8.6%, from vascular brain lesions – by 6.2%, from digestive diseases – by 1.3%, sply. *The infant mortality rate* of children under the age of 1 year for January-June, 2017 amounted to 19 pers., by 26.7% more compared to January-June, 2016. The main causes are:

- Conditions from perinatal period - 10 cases;
- Congenital abnormalities - 8 cases.

Migration increase of population in January-June, 2017 taking into account internal and external migration reached 94 pers., while during the same period of the last year there took place a decrease of 818 pers. During January-June 2017, 3996 pers. (out of the region – 1738 pers.) arrived, representing 156.6% of total number of arrivals during the same period of the previous year, of them children under 16 years - 893 pers., or 22.3% of total number of arrivals. 3902 pers. (out of the region – 1272 pers.) left or 115.8% of those who left during January-June, 2016 including children under 16 years - 646 pers. or 16.6% of total number of departures. Of total number of arrivals in the region – 49.5% are men (1978 pers.), the weight of total number of men who had left the region is 49.9% (1946 pers.).

In January-June, 2017 2650 pers. arrived in urban areas and 2750 left, which is - 157.9% and 114.2%, respectively compared to January-June, 2016. 1324 pers. arrived from abroad and 1004 pers. left the region. 1346 pers. arrived in rural area and 1152 pers. left the region representing 154.0%, 119.8% respectively compared to January-June, 2016. 414 pers. arrived out of the region and 268 pers. left the region.

The number of registered *marriages* amounted to 1095, decreasing by 2.5% compared to quarter II of 2016. The number of *divorces* reached 887, increasing by 6.5% compared to the same period of the last year.

⁵ The analysis was conducted based on the Statistical Service of Transnistria.

Labor market. 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) on July 1, 2017 amounted to 96.9 thousand pers., decreasing by 1404 pers. or by 1.4% compared to the same period of the previous year. Since the beginning of 2017, the number of citizens registered to the employment agencies numbered 8209, of them 492 – to newly created jobs. The percent of substitution of retired employees with new staff was 98.7%. During January-June, 2017, 8318 persons layed off from institutions and organizations representing 8.6% of the number of employees since the beginning of the year. The main reason of dismissal is worker's own motion, 6924 pers. (83.2%) sit on this category.

According to the Social Insurance Fund of Transnistria, at the end of June, 2017, the number of citizens officially registered as unemployed amounted to 6879 pers., by 49.8% more against the end of June, 2016. 3393 pers. or 49.3% are women of total number of registered citizens. During January-June 2017, through the Transnistrian Agency for Employment 7169 pers. were recorded as unemployed, of them 3372 pers. are women (47% of total number of registered citizens). In January-June of 2017, 11413.2 thousand rubles were spent for payment of unemployment benefits. 5887 pers. received unemployment benefits, the average amount of unemployment benefits accounted for 417.1 rubles or 31.4% per capita of the average subsistence minimum budget.

Remuneration of labor. During January-June, 2017, the average monthly nominal salary calculated for an employee in the region (except small enterprises and religious and non-profit organizations, law enforcement agencies and customs authorities) amounted to 3845 rubles⁶, which is 101.3% compared to January-June, 2016. The average salary at public organizations amounted to 2716 rubles, increasing by 0.8% against the same period of last year.

In January-June, 2017 the highest average monthly nominal salaries were in the following economic branches: „Electrical- and radio-communication” (9645 rubles or 832 US dollars), „Banks and credits” (6736 rubles or 581 US dollars), „Insurances” (6577 rubles or 567 US dollars), „Information and computer services” (5228 rubles or 451 US dollars), „Industry” (5079 rubles or 438 US dollars).

At the same time, the lowest average monthly nominal salaries were in the following economic branches: „Geology and meteorology” (2048 rubles or 177 US dollars), „Social assistance” (2124 rubles or 183 US dollars), „Forestry” (2192 rubles or 189 US dollars), „Postal communication” (2228 rubles or 192 US dollars), „Culture and art” (2462 rubles or 212 US dollars).

During January-June, 2017 the average monthly nominal salary of employees in almost all industry sub-branches was lower than the average in industry (5079 rubles or 438 US dollars), excepting „Energetics” (6221 rubles or 537 US dollars, by 61.8% more compared to the average salary in the region), „Ferrous Metallurgy”(5988 rubles or 517 US dollars, by 55.7%) and „Mechanical construction and metalworking” (5352 rubles or 462 US dollars, by 39.2%).

Social protection of population. During the period April-June, 2017 the average number of pensioners amounted to 123770 pers., by 2.3% less compared to the same period of the previous year, of them 119564 benefited by labor pension and – 4207 pers. by social pension. During April-June, 2017 the average amount of the pensions was 1349.60 rubles, by 0.5% less compared to April-June 2016. Labor pension – 1374.65 rubles and social pension – 637.59 rubles.

⁶ The official average exchange rate of the monetary authority of the region to the left of the Dniester River in January – June, 2017 – 1 US dollar=11,5862 rubles (http://www.cbpmr.net/data/svk_narast_itog_03_09_2017.pdf)

Subsistence minimum. During January-June, 2017, the amount of the subsistence minimum on average per capita accounted for 1327.67 rubles which is by 3.7% more compared to January-June, 2016.

Table 6.1. Subsistence minimum in the region from the left bank of the Dniester River in the first half of 2017

(average per person, rubles per month)

	Total population	Including:				
		Able to work		Pensioners	Children	
		Men	Women		aged under 6 years	from 7 up to 15 years
January	1317	1447	1369	1111	1219	1464
February	1310	1440	1362	1106	1211	1457
March	1301	1429	1352	1098	1203	1447
April	1315	1446	1366	1110	1216	1464
May	1333	1467	1383	1125	1231	1487
June	1390	1530	1438	1172	1290	1565

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

Crimes. In January-June, 2017, according to the the public order protection bodies, 5769 requests and reports on crimes were registered which is by 7.2% more than in January-June, 2016. During January-June, 2017, 2379 crimes were registered which is by 0.6% less compared to January-June, last year. During January-June, 2017 there were registered 113 crimes related to illegal trafficking in arms; 268 drug related crimes; 21 crimes committed by use of arms, munitions and explosives. Of the total number of recorded crimes – 452 (19.0%) were classified as serious and 170 (7.1%) - extremely serious. Compared to January-June, 2016, the number of extremely serious crimes dropped by 2.8% and serious ones – by 1.7%. During January-June, 2017, 2156 crimes were investigated of which: 445 (20.6%) crimes were committed by persons previously convicted, 222 (10.3%) – women, 279 (12.9%) – group of individuals, 164 (7.6%) – crimes committed by minors. During January-June, 2017, 336 (15.6%) crimes were committed in drunkenness, drugging or in any other nature condition. As a result of these crimes, 1272 pers. suffered, including 18 pers. died (1.4%), and 37 pers (2.9%) were subjected to serious health injuries.

Chapter VII

MACROECONOMIC FORECAST FOR 2017 (updated version)

Social-economic development of the Republic of Moldova in the first semester of 2017

In the first semester of 2017, the Moldovan economy has registered several developments on certain activities and areas: the external trade has risen, more public revenues have been accumulated and respectively, the public expenditures forecast for this period were made, the real salaries and consumption of population have increased.

Simultaneously, the development of the national economy, as a whole, causes disturbance regarding the stability of the macroeconomic balance, sustainability in the real progress in the future. The investment activity continues to be very low. The industrial production is in a stagnant state and the agricultural one depends largely on the favourable or unfavourable weather conditions of an agricultural year. The advance in the volume of imports compared to exports increases the current account deficit of the balance of payments. The internal and external public debt continues to rise at major rates. There is noticed the appreciation trend of the national currency, the inflationary level is still high almost as in the previous year which exceeds far the one targeted by the National Bank for this year.

Achieved results

Gross domestic product in semester I, 2017 totaled 63.9 bln. lei, recording an increase of 2.8% compared to the respective period of 2016 (in comparable prices) decreasing from 3.1% in quarter I to 2.5% in quarter II.

The most significant contribution on GDP growth, *by categories of resources*, had the gross value added in wholesale and retail trade, maintenance and repair of vehicles and motorcycles; transport and storage; accommodation and food service activities (+1.5%), constructions; information and communications (each by +0.2%).

Negative contributions on the GDP physical volume index have had the activities: agriculture, forestry and fishing (-0.2%); public administration and defense; mandatory social insurance; education; health and social assistance (-0.1%)

By categories of uses, the increase was mainly due to the: final consumption of households (+3.5%); gross fixed capital formation (+1.1%).

The net export had a negative contribution on the GDP physical volume index (-4.1%), consequence of a more pronounced contribution to the GDP formation of imports of goods and services (79.4%) compared to exports (45.4%).

During January-August, 2017 **inflation rate** amounted to 7.3% against January-August, 2016 being almost at the same level (7.4%) as the inflation rate during the same period of 2016. However, the annual inflation exceeds the target set by the NBM (5% +/-1.5%).

Moldovan leu has appreciated against the main currencies. Since the beginning of 2017, the national currency has marked an appreciation of 9.1% in relation to US dollar in nominal terms (from 19.98 lei per 1 US dollar on January 1, 2017 up to 18.15 lei on June 30, 2017). The Moldovan leu has appreciated by 0.9% against euro.

The stock of *foreign exchange reserve assets* of the NBM on June 30, 2017 reached 2388.7 mln. US dollars increasing by 8.3% compared to the level recorded at the end of 2016 and by 27.4% against June 30, 2016.

Money supply M3 at the end of June 2017 amounted to about 71.4 bln. lei increasing by 7.6% compared to the end of June of the last year. The development of money supply M3 was due to the increase in the volume of deposits in national currency by 16.4%, especially demand deposits (+33.2%). The balance of deposits in foreign currency (calculated in lei) diminished by 2.5%. The balance of loans granted to the economy were below the level of the same period of the previous year (-7.9%).

During January-June, 2017, there were accumulated revenues in the amount of 24.9 bln. lei in the national public budget (NPB), by 18.4% more compared to January-June, 2016. There were made expenditures in the amount of 25 bln. lei – by 15.2% more, respectively. On the whole, the NPB registered a deficit of 101.5 mln. lei, compared to 678.1 mln. lei in January-June, 2016.

The total amount of the (internal and external) *public debt* managed by the Government on June 30, 2017 amounted to about 50.7 bln. lei, up by 42.3% in relation to the same period of 2016. The *internal* public debt increased by about 2.5 times (from the emission of the state stocks for the execution of the state guarantees account), and the *external* public debt – by 17.8%.

During January-June, 2017 the *exports* grew up by 13.6%, and *imports* – by 16.7%. The negative balance of trade amounted to 1153.4 mln. US dollars against 963.6 mln. USD in January-June, 2016. The degree of imports coverage by exports accounted for 47.1%, lower by 1.3 p.p. than in the same period of 2016.

The *industrial* enterprises from the Republic of Moldova, during January-June, 2017 produced by 0.3% more goods in terms of value compared to the similar period of 2016. The production of *mining industry* rose by 1.6%, of *manufacturing industry*- by 0.4%, and *production and supply of electricity, heat energy, gas, hot water and conditioned air* reduced by 0.5%,

In semester I, 2017 the *agricultural* production decreased by 5% (in comparable prices) against the respective period of 2016. The decline of agricultural production was due to the decrease of *vegetable production* by 28.4% and *livestock production* by 0.4%, which held about 82.9% of total agricultural production.

In the first semester of 2017, the volume of *investment in fixed assets* totaled about 6.2 bln. lei, with an increase of 2.5% (in comparable prices) in comparison with the same period of 2016.

The *railway, road, fluvial and air transport* enterprises during January-June, 2017 transported about 6.6 mln. tonnes commodities or by 22.5% more compared to the volume transported in the same period of 2016.

The volume of turnover in *retail trade* during January-June, 2017 has reduced by 4% (in comparable prices) against January-June 2016 and the volume of turnover in *market services provided to population* increased by 3%.

The average nominal *salary* of an employee in the national economy for January-June, 2017 amounted to 5636.7 lei increasing by 13.2% compared to the same period of 2016. In real terms, the salary grew by about 5.5%. The monthly *disposable revenues* of population for quarter II, 2017 amounted to 2227.6 lei on average per person, up by 9.8% in nominal terms and by 2.5% - in real terms, in comparison with the same period of 2016.

The average monthly consumption *expenditures* of population for quarter II, 2017 accounted for 2245.3 lei per person, up by 8% in nominal terms and by 0.8% in real terms compared to the same period of 2016. The average value of *monthly pension* on July 1, 2017 was 1484.7 lei and

increased by 16.1% in relation to the same date of 2016 in nominal terms and the remittances from abroad have risen. *The number of unemployed*, was 45.7 thousand forecast according to the International Labour Office's definition, declining compared to the level of quarter II, 2016 (55.0 thousand). *The unemployment rate (ILO unemployed weight in active population)* in the country has registered 3.5%, decreasing slightly against quarter II, 2016 (4.0%). The unemployment rate was 3.8% for men and – de 3.2% for women.

Forecasts for 2017

In the second quarter of the year, there are not foreseen radical changes which would improve the final results of the year according to the forecasts made by experts under the macroeconomic simulation model experienced within the NIER. On the contrary, against the fairly good results achieved in the second half of the year, especially in agriculture it is naturally to expect an improvement of the main macroeconomic indicators in the second half of the year.

Starting from the actual situation, taking into account the trend set in the development of the macroeconomic indicators from the last period there were made the forecast calculations for 2017 presented in the table below.

Table 7.1. Development of macroeconomic indicators in 2012-2016 and forecast for 2017

	Measurement Unit	2012	2013	2014	2015	2016	2017
		actual					Forecast
A	1	2	3	4	5	6	7
Nominal GDP	bln. Lei	88.2	100.5	112.1	122.6	134.9	144
Compared to the previous year in comparable prices	%	99.3	109.4	104.8	99.6	104.3	102.4
Annual average consumer price index	%	104.6	104.6	105.1	109.7	106.4	106
Average exchange rate	lei/USD	12.11	12.59	14.04	18.81	19.92	18.5
Export of goods	mln. USD	2162	2428	2340	1967	2045	2290
Compared to the previous year	%	97.5	112.3	96.3	84.1	103	112
Import of goods	mln. USD	5213	5492	5317	3967	4020	4660
Compared to the previous year	%	100.4	105.4	96.8	75	101.9	116
Balance of trade	mln. USD	-3051	-3064	-2977	-2020	-1975	-2370
Industrial production at current prices	bln. Lei	36.4	39.4	43.5	45.7	47.6	51
Compared to the previous year in comparable prices	%	98.1	108.6	107.3	100.6	100.9	101
Agricultural production at current prices	bln. Lei	19.9	23.8	27.3	27.2	30.5	35
Compared to the previous year in comparable prices	%	78	139.1	109	87	118.6	100
Investment in fixed assets	bln. Lei	17.2	19.1	21.2	21.1	19.7	22.7
Compared to the previous year in comparable prices	%	98.9	104.2	103.8	90.6	87.2	102.5
Average monthly nominal salary	Lei	3478	3765	4172	4611	5084	5700
Compared to the previous year							
nominal	%	108.9	108.3	110.8	110.5	110.3	112
real	%	104.1	103.5	105.4	100.7	104.8	105.8
Labor remuneration fund	bln. Lei	39.7	42.9	46.1	52.1	57.6	66.6
Labor force (economically active population)	thousand pers.	1215	1236	1232	1266	1273	1230

Table – 7.1

A	1	2	3	4	5	6	7
Number of employees in national economy	thousand pers.	1146.8	1172.8	1185	1204	1220	1185
Unemployment rate	%	5.6	5.1	3.9	4.9	4.2	3.5
Remittances from abroad	mln. USD.	1494	1609	1613	1129	1079	1200

Source: Compiled by authors according to the statistical data.

Conclusions:

Forecast for 2017 (updated version) is more pessimist against the previous one and is explained by the following:

1. In the first version there is foreseen an increase in industrial production of 4.2%, and agricultural production of 3.5%. The results of the first semester prove that the industrial production will not grow by more than 1-2 %. The frosts in the spring of this year have harmed the agricultural sector and this is why the volume of production will be the same or almost at the level of the previous year;
2. Investment in fixed assets were forecast up by 10%, taking into account that in the last years these were continuously decreasing and in case of a happy turn of event they could considerable increase, however the development in the first semester (+2.5%) does not allow to expect a leap in this direction and it is possible to maintain this pace till the end of the year;
3. The external trade develops by faster rates than the estimated ones. The exports will grow by 12%, against 9% previously provided and the imports – by 16%, in relation to 8%. The negative part is that the imports grow faster compared to exports leading to the increase in the balance of trade deficit and in turn this will negatively influence the GDP volume.
4. The average monthly real salaries will grow by higher rates (+5.8%) against 1.6% previously forecast. The negative thing is that the increase in labor cost grows by higher rates compared to rise in labor productivity leading to macroeconomic imbalances. This co-ratio has to be opposite for the economy to function normally.

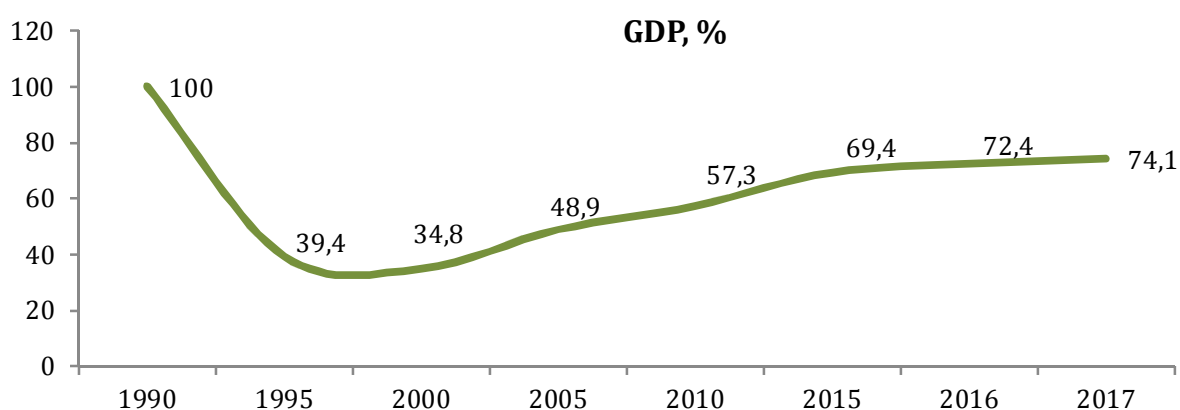


Figure 7.1. GDP dynamics of the Republic of Moldova during 1990-2016 and forecast for 2017

Source: Compiled by authors according to the statistical data.

These are the main discrepancies between the updated forecast indicators against previously estimated ones. As it can be noticed above, these changes have a negative contribution which will lead to the GDP decrease from 4.2%, previously forecast to 2.4% in the updated version. It is

considered that this is the highest growth which can be reached taking into account the challenging socio-economic and political situation of our country. To reach the level foreseen for 2017 on GDP increase it is necessary that in the second half of the year to achieve a 2% growth compared to the same period of the last year.

The development of the national economy at insufficient rates during the period of economic relaunch (in 2001-2016 equal to 4.5% annually) did not let to recover that throwback produced in the first 10 years, thus in 2017 in case we have a 2.4% growth we will reach only almost $\frac{3}{4}$ of the initial GDP volume.

STATISTICAL ANNEXES



Period	GDP RESOURCES																				
	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	
2011	82348.7	106.8	106.3	68390	105.2	11518	110.2	2720	101.9	45831	101.3	13959	109.6								
2012	88227.8	99.3	99	73686	79.9	12314	100.8	3041	101.8	50178	103.2	14542	100.8								
2013	100510.5	109.4	110.2	83719	146.6	14328	107.6	3373	105.3	55346	103.9	16791	105.1								
2014	111757.4	104.6	105.2	94228.3	14111.8	16246.8	107.2	3964.8	110.6	62112.3	103.8	17529.1	101.5								
2015	121850.9	99.5	99.6	103160.8	14267.8	14919.3	103.4	4359.7	100.6	69441.4	102.8	18690.1	99.2								
2016	134476.6	104.1	104.8	114531.6	16409.4	20254.2	102.1	4388.4	93.3	73479.6	102.2	19945.0	100.6								
Quarter I 2014	21499.2	103.7	104.4	977.2	110.2	3373.0	105.7	597.9	108.9	13497.8	103.8	3581.7	100.7								
Quarter II 2014	26280.9	104.3	104.9	21985.9	2354	3959.1	103.9	1403.4	110.5	14823.9	104.4	4295	101.1								
Quarter III 2014	34115	105.8	106.2	29372.9	6931.1	4420.0	106.1	1271.1	113.7	17293.1	104.8	4742	103.4								
Quarter IV 2014	29862.3	104.2	104.9	24951.9	3849.6	4495.0	112.7	692.4	106.7	16497.5	102.2	4910.4	100.7								
Quarter I 2015	24423.2	104.8	105.2	20473.7	914.7	4001.4	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	2064.6	4569.5	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	6484.8	4846.8	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	4803.7	4010.9	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	1005.9	4529.9	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	2078.4	4839.2	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	8202.8	4647.6	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	5122.2	5506.9	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	990.94	4685.5	101.2	834.96	102.7	18643.5	107.5	4984.02	100.1								
Quarter II 2017	34251.17	102.5	101.1	28336.6	2140.64	5091.95	100	1592.77	105.5	20026.61	93.33	5914.57	110								

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	
	mhn. lei Current prices	in % sply	in % sply	mhn. lei Current prices	in % sply	in % sply	mhn. lei Current prices	in % sply	in % sply	mhn. lei current prices	in % sply	mhn. lei current prices	in % sply
2011	82348.7	106.8	107.3	96090.5	107.3	113	19178.8	113	725.2	x	-33645.8	x	
2012	88227.8	99.3	100.9	103062.6	100.9	101.8	20864.1	101.8	-3.2	x	-35695.7	x	
2013	100510	109.4	105.2	113169	105.2	103.8	23062	103.8	1721	x	-37442	X	
2014	111757.4	104.6	102.4	123357.5	102.4	110.1	27608.2	110.1	1447.4	x	-40655.8	X	
2015	121850.9	99.5	98.1	131230.0	98.1	98.8	29492.3	98.8	-1952.2	x	-36919.2	X	
2016	134476.6	104.1	103.0	142112.0	103.0	97.0	30021.5	97.0	172.5	x	-37829.5	X	
Quarter I 2014	21499.2	103.7	100.5	24926.1	100.5	108.6	4993.3	108.6	-238	x	-8182.2	X	
Quarter II 2014	26280.9	104.3	101.4	29542.5	101.4	107.6	6683.6	107.6	-109.3	x	-9835.9	X	
Quarter III 2014	34115	105.8	103.3	35387.1	103.3	111.5	8173.6	111.5	973.4	x	-10419.1	X	
Quarter IV 2014	29862.3	104.2	103.9	33501.8	103.9	112.1	7757.7	112.1	821.4	x	-12218.6	x	
Quarter I 2015	24423.2	104.8	100.3	27244.8	100.3	107.8	5972.5	107.8	-73.9	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	-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	-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	-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	-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	-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	-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	-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	-10175.5	x	
Quarter II 2017	34251.17	102.5	103.2	37579.78	103.2	106.3	7449.16	106.3	756.6	x	-11534.37	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)
2012	4.6	3.8	4.2	6.2
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
Q I 2015	6.1	5.8	9.3	1.9
Q II 2015	8.0	8.7	11.1	2.6
Q III 2015	11.1	10.7	12.8	8.6
Q IV 2015	13.4	14.1	13.8	11.4
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

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 2015	4.7	4.5	7.0	1.8
February 2015	6.5	6	10.2	1.9
March 2015	7.1	7	10.7	2.1
April 2015	7.6	7.8	11	2.6
May 2015	8.1	9	11	2.6
June 2015	8.3	9.2	11.4	2.7
July 2015	8.6	8.7	12.2	3
August 2015	12.2	10.9	13.4	11.3
September 2015	12.6	12.6	12.9	11.4
October 2015	13.2	13.5	13.5	11.7
November 2015	13.5	14.5	13.8	11.3
December 2015	13.6	14.3	14.1	11.3
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	8.2

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)
2012	5.7/3.1*	3.8/4.7*	5.1/2.0*	9.2/11.4*	10	17.7
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	4.4	6.3	8.6	-3.4
Q I 2015	5.7	5.6	6.3	0.7	7.7	1.0
Q II 2015	4.5	4.2	5.0	0.3	7.9	-13.8
Q III 2015	6.1	3.5	6.5	3.4	8.3	27.6
Q IV 2015	8.9	4.6	9.2	6.8	8.2	33.0
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	6.6	0.8
Q II 2017	3.6	1.9	3.1	8.7	4.6	-1.1

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 CAEM, 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 2015	4.6	7.0	7.0	0.8
February 2015	6.2	5.1	7	0.6
March 2015	6.2	4.6	6.9	0.8
April 2015	5.5	5.3	6.1	0.3
May 2015	4.5	4.7	5	0.3
June 2015	3.4	2.6	3.9	0.3
July 2015	3.8	3.4	4.2	0.3
August 2015	7.4	3.4	7.2	9.8
September 2015	7.2	3.7	8.2	0.2
October 2015	8.2	3.9	9.3	0.2
November 2015	9.3	4.6	9.4	9.8
December 2015	9.1	5.3	9.0	10.5
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

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)
2012	12.1	15.6	3.2	-4.7	-3.0	-6.5
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	19.8	22.1	5.3	5.7	0.7	-0.6
Q I 2015	18.0	20.4	34.7	10.9	25.7	4.2
Q II 2015	18.1	20.1	32.6	6.9	21.7	-1.1
Q III 2015	19.4	21.6	38.1	15.8	22.0	3.3
Q IV 2015	19.9	21.8	32.5	16.2	16.7	2.6
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	-1.2	-6.4
Q II 2017	18.8	20.6	-5.3	-7.9	-10.3	-12.7

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)	Tax burden, %
2012	33526.1	11	35364	10	1837.9	31
2013	36908.5	10	38673.1	9	1764.6	37
2014	42446.8	0.15	44393.1	15	1946.7	32
2015	43660.7	2.86	46393.9	4.51	2733.2	35.8
2016	45946.9	5.24	48434	4.40	3 298.5	
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	

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

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 public debt by maturity, MDL million	
January 2015	2620.3	11.04	2853.1	19.11	232.8	30105.0	7239.8	22865.3	
February 2015	5449.0	8.58	6323.4	18.11	874.4	31168.6	6988.5	24180.1	
March 2015	10173.8	20.93	9830.5	15.88	343.3	29901.3	6829.6	23071.7	
April 2015	13550.4	14.86	13738.3	15.56	187.9	29883.2	6788.6	23094.6	
May 2015	16693.2	13.03	17252.8	16.82	559.6	29926.3	6937.7	22988.6	
June 2015	20790.5	10.31	21463.9	11.14	673.6	31225.7	7090.7	24135.0	
July 2015	24634.1	11.11	25583.4	12.77	949.3	31259.9	7168.2	24091.7	
August 2015	28020.7	3.99	29181.6	9.64	1160.9	32951.4	7224.8	25726.5	
September 2015	31822.5	4.49	32687.1	7.05	864.6	33554.1	6714.2	26824.7	
October 2015	35468.3	3.59	36499.4	4.83	1031.1	32947.2	6400.3	26546.9	
November 2015	39214.3	4.07	40567.1	4.65	1352.8	32714.7	6432.5	26282.2	
December 2015	43660.7	2.86	46393.9	4.51	2733.2	33508.8	7225.4	26283.4	
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	3298.5	59371.9	23827.2	35544.7	
January 2017	3328.6	29.1	3545.3	42.8	216.7	51076.5	21364.8	29711.7	
February 2017	6878.0	23.4%	7690.4	27.2%	812.4	51853.9	21382.2	30471.7	
March 2017	11993.2	20.8%	12260.7	24.7%	678.8	51649.2	21793.4	29855.8	
April 2017	15851.1	16.7%	16310.5	16.1%	495.4	51537.0	21586.4	29950.6	
May 2017	19963.9	17.3%	20382.9	15.0%	419.0	50416.2	21577.5	28838.7	
June 2017	24909.2	18.5	25010.7	15.2%	101.5	50657.3	21526.6	29130.7	

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

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 the period), million MDL	Loans (stock at the end of period) MDL million,	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	
2011	47707.8	39613.5	30963.0	30112.1	63.36	32.21	46.16	1.95	11.51	0.69	33.17	7.54	3.69	14.37	8.75	
2012	58304.4	48058.4	35948.2	36272.3	64.1	31.9	43.8	1.1	5.6	0.7	32.9	7.59	4.3	13.34	8.28	
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	
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 I 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	

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

Period	BANKING SECTOR														
	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) 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	In national currency	In foreign currency
January 2015	102707.6	90163.6	42139.9	68823.5	52.7	25.9	55.5	1.5	12.6	1.5	24.4	6.92	3.93	11.60	7.49
February 2015	102170.8	89465.8	42831.8	69410.5	52.1	25.7	58.1	1.9	15.9	1.5	10.5	8.88	3.37	11.94	7.35
March 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
April 2015	98700.7	85844.7	41792.4	66295.4	52.8	25.2	55.6	1.2	9.7	1.5	26.1	11.76	2.40	13.66	7.14
May 2015	99645.2	86598.7	41756.9	65902.9	52.4	25.5	55.2	1.4	11.2	1.5	27.6	11.58	2.38	13.85	7.24
June 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
July 2015	101387.9	88361.2	42664.2	65505.5	52.5	24.7	55.9	1.2	9.7	1.5	12.7	11.93	2.02	14.37	6.85
August 2015	102187.4	88919.2	43199.3	65708.8	52.9	23.6	56.3	1.41	11.33	1.58	14.08	13.25	2.15	14.54	6.82
September 2015	104504.0	91248.3	43779.0	66808.6	68.4	30.8	55.3	2.64	16.07	0.73	38.83	13.80	2.08	15.44	6.70
October 2015	69254.1	57389.9	39358.7	50120.1	69.0	30.3	54.9	1.82	14.41	0.73	39.73	14.02	2.31	15.75	7.05
November 2015	68862.2	56884.1	38731.9	49505.2	69.7	29.8	53.5	1.83	14.17	0.72	40.23	14.35	2.06	15.67	6.55
December 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
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	54417.7	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	60318.7	34 761.3	54838.5	68.7	31.0	46.5	1.97	11.95	0.63	49.22	8.44	1.91	16.4	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	6.68	1.94	11.55	6.26
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	6.8	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	47.6	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	6.81	1.93	10.85	5.93
May 2017	74 114.0	61 390.51	34 216.6	55 433.14	67.88	32.13	44.74	2.6	15.6	0.62	51.4	6.52	1.85	10.74	5.92
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	6.35	1.79	10.55	5.87

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

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
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	16.8	2.6		186.2	194.5
Quarter III 2016	17.4	58.5	2.1		199.9	190.9
Quarter IV 2016	22.8	-3.78	4.4		179.9	198.9

Source: According to the data of the National Bank of Moldova, author's calculations.

Source	EXTERNAL SECTOR: FOREIGN TRADE						Import	Goods	Services
	Total foreign trade, mln.USD	Goods	Services	Export	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

Source: According to the data of the balance of payments, National Bank of Moldova.

EXTERNAL SECTOR: FOREIGN TRADE IN GOODS																
Nominal value of export by categories of services, mln. USD																
	2012	2013	2014	2014	2014	2015	2015	2015	2015	2016	2016	2016				
	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III	Q. IV	Q. I	Q. II	Q. III	Q. IV				
	2014	2014	2014	2014	2015	2015	2015	2015	2016	2016	2016	2016				
Export of services	902.0	987.8	958.8	217.0	247.9	246.9	246.9	246.9	181.6	207.2	222.2	220.7	189.4	220.8	245.4	241.7
Transport	363.1	403.6	374.3	87.0	101.0	96.4	96.4	96.4	69.2	79.6	86.9	75.9	70.2	83.9	97.8	86.4
Trips	198.5	225.5	228.6	45.3	56.6	63.7	63.7	63.7	39.9	50.3	60.3	58.8	48.0	59.4	73.8	64.6
Business trips	56.6	67.6	65.6	16.3	16.3	19.1	19.1	19.1	14.8	18.5	19.9	19.2	19.3	20.5	24.6	19.0
Personal trips	141.9	157.9	162.9	32.1	40.3	44.6	44.6	44.6	25.1	31.8	40.5	39.6	28.7	39.0	49.2	45.6
Communications services	140.0	137.4	129.8	30.7	33.8	34.4	34.4	34.4	27.6	28.7	26.1	23.5	23.6	23.3	19.6	19.6
Constructions services	3.3	5.3	5.3	1.0	1.0	1.4	1.4	1.4	0.9	1.6	1.4	1.1	1.0	0.7	1.6	1.6
Insurance services	0.9	0.8	0.6	0.3	0.2	0.1	0.1	0.1	0.0	0.0	0.1	0.4	0.1	0.05	0.01	0.04
Financial services	3.7	5.3	5.7	1.5	1.3	1.3	1.3	1.3	0.8	0.8	1.2	1.9	1.6	1.12	1.0	1.7
Informatics and informational services	55.8	62.7	71.0	16.8	17.5	17.4	17.4	17.4	17.0	17.5	17.4	18.1	14.7	17.9	20.9	25.0
Royalty services and fees for licenses	4.6	6.1	6.9	1.5	2.1	1.9	1.9	1.9	0.8	1.5	1.0	1.1	1.0	1.6	1.8	1.8
Other business services	91.6	99.3	99.7	24.9	25.7	21.7	21.7	21.7	19.0	19.2	19.8	27.2	21.1	23.8	20.4	27.5
Personal, cultural and recreation services	1.3	1.6	1.9	0.7	0.5	0.4	0.4	0.4	0.3	0.4	0.5	0.9	0.3	0.4	0.7	0.7
Governmental services unlisted somewhere else	39.2	40.2	35.0	7.4	8.4	8.3	8.3	8.3	6.1	7.5	7.6	11.6	6.6	8.7	7.7	12.9
Structure of service export, %																
Export of services	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Transport	40.3	40.9	39.0	40.1	40.7	39.0	39.0	39.0	38.1	38.4	39.1	34.4	37.3	38	38.4	35.7
Trips	22.0	22.8	23.8	20.9	22.8	25.8	25.8	25.8	22.0	24.3	27.1	26.6	25.5	26.9	29.0	26.7
Business trips	6.3	6.8	6.8	6.1	6.6	7.7	7.7	7.7	8.1	8.9	9.0	8.7	10.2	9.3	9.7	7.9
Personal trips	15.7	16.0	17.0	14.8	16.3	18.1	18.1	18.6	13.8	15.3	18.2	17.9	15.2	17.7	19.3	18.9
Communications services	15.5	13.9	13.5	14.1	13.6	13.9	13.9	12.6	15.2	13.9	11.7	10.6	12.5	10.6	7.7	8.1
Constructions services	0.4	0.5	0.6	0.5	0.4	0.6	0.6	0.8	0.5	0.8	0.6	0.5	0.5	0.3	0.6	0.7
Insurance services	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.1	0.002	0.03	0.02
Financial services	0.4	0.5	0.6	0.7	0.5	0.5	0.5	0.7	0.4	0.4	0.5	0.9	0.8	0.5	0.4	0.7
Informatics and informational services	6.2	6.3	7.4	7.7	7.1	7.0	7.0	7.8	9.4	8.4	7.8	8.2	7.8	8.1	8.2	10.3
Royalty services and fees for licenses	0.5	0.6	0.7	0.7	0.8	0.8	0.8	0.6	0.4	0.7	0.5	0.5	0.5	0.7	0.7	0.7
Other business services	10.2	10.1	10.4	11.5	10.4	8.8	8.8	11.1	10.5	9.3	8.9	12.3	11.2	10.8	8.0	11.4
Personal, cultural and recreation services	0.1	0.2	0.2	0.3	0.2	0.2	0.2	0.1	0.2	0.2	0.2	0.4	0.2	0.2	0.3	0.3
Governmental services unlisted somewhere else	4.3	4.1	3.7	3.4	3.4	3.4	3.4	4.5	3.4	3.6	3.4	5.3	3.5	3.9	3.0	5.3

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

EXTERNAL SECTOR: FOREIGN TRADE IN SERVICES																
Nominal value of import by categories of services, mln. USD																
	2012	2013	2014	2016	Q. I 2014	Q. II 2014	Q. III 2014	Q. IV 2014	Q. I 2015	Q. II 2015	Q. III 2015	Q. IV 2015	Q. I 2016	Q. II 2016	Q. III 2016	Q. IV 2016
Export of services	892.9	972.2	992.2	828.1	222.4	260.2	260.6	248.9	181.9	210.9	215.4	202.5	180.6	205.3	219.0	223.2
Transport	362.5	379.9	379.8	293	88.1	96.6	95.4	99.8	69.8	76.0	77.1	71.9	62.9	73.7	80.0	76.4
Trips	307.6	333.7	350.6	272.2	74.2	96.3	99.5	80.6	58.7	72.9	77.7	71.9	60.8	69.6	73.4	68.4
Business trips	164.1	177.1	178.9	120.1	35.9	50.3	52.7	40.1	28.7	33.5	32.7	31.1	24.9	31.5	33.5	30.2
Personal trips	143.5	156.6	171.7	152.3	38.4	46.0	46.8	40.6	30.0	39.5	45.0	40.7	35.9	38.2	40.0	38.2
Communications services	40.2	51.6	52.3	41.3	10.6	13.2	14.2	14.3	9.9	13.1	13.9	11.0	7.7	10.8	11.4	11.4
Constructions services	8.9	9.1	7.8	5.3	1.0	2.9	2.4	1.5	0.9	1.0	1.5	0.6	0.2	1.2	1.7	2.1
Insurance services	4.7	3.6	2.5	6.7	1.0	0.6	0.6	0.4	0.2	0.3	0.6	0.7	1.7	1.1	1.7	2.2
Financial services	7.2	6.3	7.6	7.3	1.8	1.7	2.1	2.1	1.6	1.7	1.3	1.4	1.3	1.9	2.1	2.0
Informatics and informational services	37.1	41.1	42.5	38	11.6	10.8	9.0	11.1	12.9	9.6	9.9	9.4	9.7	7.3	9.3	11.7
Royalty services and fees for licenses	18.7	22.8	23.5	18.9	5.9	6.1	5.2	6.3	4.5	4.9	3.4	4.5	3.8	4.0	4.3	6.8
Other business services	69.5	76.0	83.7	105.6	16.4	21.6	22.9	22.8	13.9	22.1	20.9	21.33	23.0	26.3	26.7	29.6
Personal, cultural and recreation services	1.5	2.9	2.6	3.1	0.4	0.7	0.7	0.9	0.9	0.8	1.7	1.14	0.6	1	0.8	0.7
Governmental services unlisted somewhere else	35.0	45.3	39.3	36.7	11.7	9.7	8.8	9.1	8.5	8.5	7.6	8.9	8.8	8.3	7.7	11.9
Structure of service import, %																
Export of services	100.0	100.0	100.0	100	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100	100	100	100	100
Transport	40.6	39.1	38.3	35.4	39.6	37.1	36.6	40.1	38.4	36.0	35.8	35.3	34.8	35.9	36.5	34.2
Trips	34.4	34.3	35.3	32.9	33.4	37.0	38.2	32.4	32.3	34.6	36.1	35.5	33.6	33.9	33.5	30.6
Business trips	18.4	18.2	18.0	14.5	16.1	19.3	20.2	16.1	15.8	15.9	15.2	15.4	13.8	15.3	15.3	13.5
Personal trips	16.1	16.1	17.3	18.4	17.3	17.7	18.0	16.3	16.5	18.7	20.9	20.1	19.9	18.6	18.3	17.1
Communications services	4.5	5.3	5.3	5.0	4.8	5.1	5.4	5.7	5.4	6.2	6.5	5.4	4.3	5.3	5.2	5.1
Constructions services	1.0	0.9	0.8	0.6	0.4	1.1	0.9	0.6	0.5	0.5	0.7	0.3	0.1	0.6	0.8	0.9
Insurance services	0.5	0.4	0.3	0.8	0.4	0.2	0.2	0.2	0.1	0.1	0.3	0.3	0.9	0.5	0.8	1.0
Financial services	0.8	0.6	0.8	0.9	0.8	0.7	0.8	0.8	0.9	0.8	0.6	0.7	0.7	0.9	1	0.9
Informatics and informational services	4.2	4.2	4.3	4.6	5.2	4.2	3.5	4.5	7.1	4.6	4.6	4.6	5.3	3.6	4.2	5.4
Royalty services and fees for licenses	2.1	2.3	2.4	2.3	2.7	2.3	2.0	2.5	2.5	2.3	1.6	2.2	2.1	1.9	2.0	3.0
Other business services	7.8	7.8	8.4	12.6	7.4	8.3	8.8	9.2	7.6	10.5	9.7	10.5	12.7	12.8	12.2	13.3
Personal, cultural and recreation services	0.2	0.3	0.3	0.4	0.2	0.3	0.3	0.4	0.5	0.4	0.8	0.6	0.3	0.5	0.4	0.3
Governmental services unlisted somewhere else	3.9	4.7	4.0	4.4	5.3	3.7	3.4	3.7	4.7	4.0	3.5	4.4	4.9	4.0	3.5	5.3

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

Period	EXTERNAL SECTOR: FOREIGN TRADE IN GOODS												Degree of imports coverage by exports, %	
	Value of external trade in goods, mln. USD						Imports, mln. USD							Net export, mln. USD
	Exports, mln. USD			Imports, mln. USD			Total	CSI	UE	Alte țări	Total	CSI		
Total	CSI	UE	Alte țări	Total	CSI	UE							Alte țări	
2010	5396.8	1880.9	2433.1	1082.8	1541.5	624.0	728.9	188.6	3855.3	1256.9	1704.2	894.2	-2313.8	40.0
2011	7408.1	2632.7	3339.3	1436.1	2216.8	919.3	1083.0	214.5	5191.3	1713.4	2256.3	1221.6	-2974.5	42.7
2012	7374.7	2551.8	3332.0	1490.9	2161.8	928.1	1013.4	220.3	5212.9	1623.7	2318.6	1270.6	-3051.1	41.5
2013	7920.7	2595.5	3609.4	1715.8	2428.3	923.2	1137.3	367.8	5492.4	1672.3	2472.1	1348.0	-3064.1	44.2
2014	7656.5	2184.9	3813.7	1657.9	2339.5	735.6	1246.1	357.8	5317.0	1449.3	2567.6	1300.1	-2977.5	44.0
2015	5953.7	1510.4	3171.7	1271.6	1966.9	492.3	1217.6	257.0	3986.8	1018.1	1954.1	1014.6	-2019.9	49.3
2016	6065.7	1441.6	3306.1	1317.5	2045.3	414.2	1332.4	298.7	4020.4	1027.4	1973.7	1019.2	-1975.1	50.8
Quarter I 2014	1791.2	565.1	867.9	358.2	573.0	180.8	318.9	73.3	1218.2	384.3	549.0	284.9	-645.2	47.0
Quarter II 2014	1928.0	523.3	995.7	409.0	599.2	204.5	301.9	92.8	1328.8	318.8	693.8	316.2	-729.6	45.1
Quarter III 2014	1884.0	520.1	954.1	409.8	565.2	184.3	284.0	96.9	1318.8	335.8	670.1	312.9	-753.6	42.9
Quarter IV 2014	2053.3	576.4	996.0	480.9	602.1	166.0	341.3	94.8	1451.2	410.4	654.7	386.1	-849.1	41.5
Quarter I 2015	1464.3	394.0	753.3	317.0	488.1	104.0	320.0	64.1	976.2	290.0	433.3	252.9	-488.1	50.0
Quarter II 2015	1513.5	354.6	835.0	274.4	504.8	137.5	306.1	61.2	1009.1	217.1	528.9	262.7	-503.9	50.0
Quarter III 2015	1432.7	360.8	772.4	299	455.5	125.2	273.1	56.7	977.2	235.6	499.3	242.3	-521.7	46.6
Quarter IV 2015	1543.5	400.8	811.2	331.5	519.2	125.5	318.8	74.9	1024.4	275.3	492.4	256.6	-497.1	50.8
Quarter I 2016	1306.6	335.5	692.7	278.4	417.2	85	266.2	66	889.4	250.5	426.5	212.4	-472.2	46.9
Quarter II 2016	1496.6	324.7	832	339.5	488.9	102.7	308.0	78.2	1007.7	222	524	261.3	-518.8	48.5
Quarter III 2016	1554.2	369.9	853.4	330.9	527.3	113.3	341	73	1026.9	256.6	512.4	257.9	-499.6	51.3
Quarter IV 2016	1737.8	411.6	956.4	369.8	612.6	113.3	417.9	81.4	1125.2	298.3	538.5	288.4	-512.6	54.4
Quarter I 2017	1559	377.5	826.3	355.2	528.2	106.0	335.6	86.6	1030.8	271.5	490.7	268.6	-502.6	51.2
Quarter II 2017	1650.7	382.2	898.7	369.8	500	110.8	316.6	72.6	1150.7	271.4	582.1	297.2	-650.7	43.5

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

Period	EXTERNAL SECTOR: FOREIGN TRADE IN GOODS												Net export, mln. USD	Degree of imports coverage by exports, %
	Value of external trade in goods, mln. USD				Value of export, mln. USD				Value of import, mln. USD					
	Total	CSI	UE	Alte tari	Total	CSI	UE	Alte tari	Total	CSI	UE	Alte tari		
January 2015	417.1	120.8	208.5	87.8	147.8	28.9	100	18.9	269.3	91.9	108.5	68.9	-121.5	54.9
February 2015	469.8	126	244.8	99	165.5	33.5	110.9	21.1	304.3	92.5	133.9	77.9	-138.8	54.4
March 2015	577.3	147.2	299.9	130.2	174.7	41.6	109	24.1	402.6	105.6	190.9	106.1	-227.9	43.4
April 2015	480.8	112.4	268.9	99.5	151.3	34	94.8	22.5	329.5	78.4	174.1	77	-178.2	45.9
May 2015	500.9	111.6	281.1	108.2	172.9	44.4	109.8	18.7	328	67.2	171.3	89.5	-155.1	52.7
June 2015	531.9	130.6	285	116.3	180.6	59.1	101.6	19.9	351.3	71.5	183.4	96.4	-170.7	51.4
July 2015	505.8	130.4	273.2	102.1	164.9	51.3	95.9	17.6	340.9	79.1	177.3	84.5	-176.0	48.4
August 2015	425.8	112.9	223.8	88.7	127.2	35.7	73.4	17.7	298.6	77.2	150.4	71.0	-171.4	42.6
September 2015	501.1	117.5	275.4	108.2	163.4	38.2	103.8	21.4	337.7	79.3	171.6	86.8	-174.3	48.4
October 2015	525.7	130.1	288.6	107	188.5	48.9	115.8	23.8	337.2	81.2	172.8	83.2	-148.7	55.9
November 2015	501.7	131.2	267.6	102.9	167.2	38.5	104.7	24.0	334.5	92.7	162.9	78.9	-167.3	50.0
December 2015	516.1	139.5	255	121.6	163.5	38.1	98.3	27.1	352.6	101.4	156.7	94.5	-189.1	46.4
January 2016	324.1	93.8	163	67.3	116.7	19.7	78	19	207.4	74.1	85	48.3	-90.7	56.2
February 2016	425.5	109	222	94.3	138.5	28.6	89.8	20.1	287.0	80.4	132.2	74.2	-148.5	48.2
March 2016	557	132.8	307.5	116.7	162.0	36.7	98.4	26.9	395.0	96.1	209.1	89.8	-233.0	41
April 2016	533.5	122.9	289.1	121.5	178.5	38.6	105.9	34.0	355.0	84.3	183.2	87.5	-176.5	50.3
May 2016	481.0	101.9	264.7	113.4	153.0	29.8	98.1	25.1	328.0	73.1	166.6	88.3	-175	46.6
June 2016	482.1	98.9	278.6	104.6	157.4	34.3	104.0	19.1	324.7	64.6	174.6	85.5	-170.3	48.5
July 2016	479.8	110.6	272.7	96.5	165.7	35.2	107.8	22.7	314.1	75.4	164.9	73.8	-148.4	52.8
August 2016	519.1	124.9	277.6	116.6	168	40.9	103.1	24.0	351.1	84.0	174.5	92.6	-183.1	47.8
September 2016	555.3	134.4	303.1	117.8	193.6	37.2	130.1	26.3	361.7	97.2	173.0	91.5	-168.1	53.5
October 2016	581	141.4	322.4	117.2	200.8	42.5	132.1	26.2	380.2	98.9	190.3	91	-179.4	52.8
November 2016	571.5	129.3	322.9	119.3	217.9	37.1	153.2	27.6	353.6	92.2	169.7	91.7	-135.7	61.6
December 2016	585.3	140.9	311.1	133.3	193.9	33.7	132.6	27.6	391.4	107.2	178.5	105.7	-197.5	49.5
January 2017	406.3	102.3	212.2	92.4	139.5	26.6	92.2	20.7	266.8	75.7	120	71.7	-127.3	52.3
February 2017	509.3	126.3	270.4	112.6	176.6	34.5	117.0	25.1	332.7	91.8	153.4	87.5	-156.1	53.1
March 2017	643.3	148.8	343.7	150.8	212.1	44.9	126.4	40.8	431.2	103.9	217.3	110.0	-219	49.2
April 2017	515.7	130.5	276.1	109.1	154.2	37.2	94.1	22.9	361.5	93.3	182	86.2	-207.3	42.7
May 2017	575.1	123.3	317.2	134.6	174.7	34.5	112.3	27.9	400.4	88.8	204.9	106.7	-225.7	43.6
June 2017	559.9	128.4	305.4	260.7	171.1	39.1	110.2	21.8	388.8	89.3	195.2	104.3	-217.7	44.0

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

Period	EXTERNAL TRADE: FOREIGN TRADE IN GOODS																
	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	CSI	UE	Alte țări	Total	CSI	UE	Alte țări	Total	CSI	UE	Alte țări	Total	CSI	UE		
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			
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	23	-3.2	-25.4	0.6	27	-0.2	22	-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	112			
Quarter II 2017	26.3	13.9	8	8.9	2.2	7.9	2.8	-7.2	14.2	22.3	11.1	13.7	-25.4	-			

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

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 of goods sply, %	Degree of imports coverage by exports sply, %	
	Total	CSI	UE	Alte țări	Total	CSI	UE	Alte țări	Total	CSI	UE	Alte țări	Total	CSI			UE
January 2015	-14.9	-33.4	-4.2	-3.6	-13.4	-48.4	8.5	-16.0	-15.7	-26.8	-13.5	0.4	-18.3	-26.8	-13.5	0.4	102.8
February 2015	-22.2	-34.1	-15.6	-19.2	-12.1	-43.7	5.2	-9.4	-26.8	-29.8	-27.5	-21.6	-39.0	-29.8	-27.5	-21.6	120.1
March 2015	-17.2	-23.5	-16.8	-9.9	-18.4	-36.3	-10.1	-12.7	-16.6	-16.9	-20.2	-9.2	-15.2	-16.9	-20.2	-9.2	98.0
April 2015	-24.6	-33.2	-18.1	-29.6	-22.2	-46.1	0.4	-39.2	-25.7	-25.4	-25.5	-26.2	-28.3	-25.4	-25.5	-26.2	104.6
May 2015	-21.1	-30.3	-16.8	-21.1	-14.3	-30.9	1.1	-35.1	-24.3	-29.9	-25.3	-17.4	-33.1	-29.9	-25.3	-17.4	113.3
June 2015	-18.8	-33.0	-13.5	-10.9	-11.0	-23.3	2.7	-26.3	-22.3	-39.4	-20.5	-6.9	-31.5	-39.4	-20.5	-6.9	114.5
July 2015	-22.3	-27.6	-18.4	-25.1	-19.3	-29.2	-3.1	-46.3	-23.7	-26.6	-24.8	-18.4	-27.5	-26.6	-24.8	-18.4	105.9
August 2015	-27.7	-30.1	-25.2	-30.9	-27.8	-32.3	-19.1	-45.9	-27.7	-29.1	-27.8	-25.7	-27.6	-29.1	-27.8	-25.7	100.0
September 2015	-22.2	-34.1	-14.0	-25.4	-11.6	-35.4	10.1	-31.8	-26.4	-33.5	-24.1	-23.7	-36.4	-33.5	-24.1	-23.7	120.1
October 2015	-24.3	-33.5	-18.5	-26.0	-11.3	-29.8	2.1	-19.0	-30.0	-35.5	-28.3	-27.7	-44.8	-35.5	-28.3	-27.7	126.8
November 2015	-25.4	-31.3	-19.7	-30.7	-19.7	-27.4	-17.8	-14.0	-28.0	-32.8	-20.8	-34.5	-34.6	-32.8	-20.8	-34.5	111.4
December 2015	-24.9	-26.6	-17.4	-36.4	-9.8	-12.0	-2.2	-27.8	-30.2	-30.8	-24.6	-37.2	-41.6	-30.8	-24.6	-37.2	129.2
January 2016	-22.3	-22.4	-21.9	-23.4	-21.1	-31.9	-22	0.5	-23	-19.4	-21.7	-29.9	-25.4	-19.4	-21.7	-29.9	102.3
February 2016	-9.5	-13.5	-9.4	-4.8	-16.4	-14.7	-18.9	-4.8	-5.7	-13.1	-1.3	-4.8	6	-13.1	-1.3	-4.8	88.6
March 2016	-3.6	-9.8	2.5	-10.4	-7.3	-11.8	-9.8	11.6	-1.9	-9	9.5	-15.4	2.2	-9	9.5	-15.4	94.4
April 2016	10.9	9.3	7.5	22	17.9	13.5	11.7	51	7.7	7.5	5.2	14	-1.0	7.5	5.2	14	232
May 2016	-4	-8.7	-5.9	4.8	-11.5	-32.9	-10.7	34	1.0	8.7	-2.8	-1.4	13	8.7	-2.8	-1.4	-
June 2016	-9.4	-24.3	-2.3	-10.1	-12.8	-4.2	2.3	-4.1	-7.6	-9.7	-4.8	-11.4	-0.3	-9.7	-4.8	-11.4	94.3
July 2016	-5.2	-15.2	-0.2	-5.5	0.4	-31.4	12.4	28.9	-7.9	-4.7	-7	-12.7	-15.7	-4.7	-7	-12.7	108.6
August 2016	21.9	10.6	24.0	31.5	32.1	14.6	40.5	35.6	17.6	8.8	16	30.4	-6.8	8.8	16	30.4	111.9
September 2016	10.8	14.4	10.0	8.8	18.5	-2.7	25.3	22.9	7.1	22.6	0.8	54	-3.6	22.6	0.8	54	110.2
October 2016	4.6	5.2	6.4	-0.6	3.7	14.2	1.5	-0.4	5.1	1.7	11.0	-0.6	-6.7	1.7	11.0	-0.6	98
November 2016	-1.7	-8.9	0.2	1.8	8.5	-12.7	15.9	5.3	-7	-6.8	-10.9	0.8	-14.4	-6.8	-10.9	0.8	116
December 2016	2.4	8.9	-3.7	11.7	-11.1	-9.2	-13.4	1	10.7	16.3	5.2	15.3	45.5	16.3	5.2	15.3	80
January 2017	25.4	9.1	30.2	37.3	19.5	35	18.2	8.6	28.7	2.2	41.3	47.2	40.3	2.2	41.3	47.2	92.7
February 2017	19.7	15.9	21.8	19.4	27.5	20.6	30.3	25.0	15.9	14.2	15.8	18.0	5.1	14.2	15.8	18.0	112
March 2017	15.5	12	11.8	29.2	31.5	22.4	29.3	51.7	17.6	8.3	20	22.6	-6.1	8.3	20	22.6	119
April 2017	-3.4	6.2	-4.5	-10.2	-13.6	-3.6	-11.1	-32.6	1.8	10.6	-0.7	-1.5	17.4	10.6	-0.7	-1.5	-
May 2017	19.6	21	19.8	18.7	14.2	15.8	14.5	11.1	22	21.5	23	20.8	29	21.5	23	20.8	-
June 2017	16.1	29.8	9.6	49.2	8.7	11.1	6.0	14.1	19.7	38.2	11.8	22	27.8	38.2	11.8	22	-

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

EXTERNAL SECTOR: INDICES OF TRADE WITH 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
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	105.0	113.3

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

BUSINESS ENVIRONMENT		
Period	Enterprises registration	Enterprises deregistration
Quarter I 2010	3269	1532
Quarter I 2011	3560	1762
Quarter I 2012	3256	1612
Quarter I 2013	3306	1368
Quarter I 2014	3230	1356
Quarter I 2015	3084	1592
Quarter I 2016	2950	2241
Quarter I 2017	3192	4166
Jan. 2016	380	354
Feb. 2016	569	366
Mar. 2016	637	489
Apr. 2016	564	394
May 2016	401	290
Jun. 2016	399	348
Jul. 2016	441	292
Aug. 2016	396	317
Sep. 2016	467	374
Oct 2016	492	313
Nov. 2016	477	246
Dec. 2016	450	272
Jan. 2017	520	221
Feb. 2017	579	683
Mar. 2017	682	1088
Apr. 2017	388	624
May 2017	529	604
Jun. 2017	494	946

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

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	
					Number of live-births- total (pers.)	Per 1000 people live-births	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
2012	3559.5	3412.6	39435	11.1	39560	11.1	387	9.8	-125	0.0	24262	6.8	10637	3.0		
2013	3559.5	3414.3	37871	10.6	38060	10.7	359	9.4	-189	-0.1	24449	6.9	10775	3.0		
2014	3557.6	3413.2	38616	10.9	39494	11.1	372	9.6	-878	-0.2	25624	7.2	11130	3.1		
2015	3555.2	3384.1	38567	10.9	39905	11.2	374	9.7	-1338	-0.3	24689	6.9	11106	3.1		
2016	3550.9	3369.1	37394	10.5	38487	10.8	353	9.4	-1095	0.3	21992	6.2	10605	3.0		
Quarter I 2014			8985	10.2	10956	12.5	99	11.0	-1971	-2.3	4152	4.7	2957	3.4		
Quarter II 2014			18248	10.3	20542	11.6	188	10.3	-2294	-1.3	9876	5.6	5653	3.2		
Quarter III 2014			29068	10.9	28932	10.9	280	9.6	136	0.0	19319	7.3	8141	3.1		
Quarter IV 2014			38616	10.9	39494	11.1	372	9.6	-878	-0.2	25624	7.2	11130	3.1		
Quarter I 2015			9179	10.5	11166	12.7	90	9.8	-1987	-2.2	3893	4.4	2864	3.3		
Quarter II 2015			18522	10.5	21049	11.9	182	9.8	-2527	-1.4	9553	5.4	5724	3.2		
Quarter III 2015			28881	10.9	29725	11.2	272	9.4	-844	-0.3	18727	7.0	8270	3.1		
Quarter IV 2015			38567	10.9	39906	11.2	374	9.7	-1338	-0.3	24689	6.9	11106	3.1		
Quarter I 2016			9342	10.6	10752	12.2	99	10.6	-1410	-1.6	3679	4.2	2767	3.1		
Quarter II 2016			18258	10.3	20160	11.4	179	9.8	-1902	-1.1	8661	4.9	5574	3.2		
Quarter III 2016			28264	10.6	28626	10.8	256	9.1	-362	-0.2	16872	6.3	7955	3.0		
Quarter IV 2016			37390	10.5	38487	10.8	352	9.4	-1097	-0.3	21916	6.2	10650	3.0		
Quarter I 2017			8526	9.6	10834	12.2	86	10.1	-2308	-2.6	3343	3.8	2498	2.8		
Quarter II 2017			16868	9.5	19775	11.2	174	10.3	-2907	-1.6	8060	4.6	4980	2.8		

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, %					Unemployment rate, %					
	Total	rural	men	women	urban	rural	Total	men	women	urban	rural	Total	men	women	urban	Total	men	women	urban	rural
2012	1214.5	40.7	43.5	38.2	47.0	36.0	1146.8	38.4	40.6	36.5	43.6	34.6	67.7	5.6	6.8	4.3	7.3	3.9		
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		
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	50.3	49.7	45.1	44.5	1298.3	43.5	50.0	50.0	44.1	55.9	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		

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	249.10	219.8	108.5	99.10	94.3	108.5	99.10	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	103.6	102.8	108.0	103.6	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	111.3	
Quarter II 2017	5636.7	300.6	273.7	113.2	119.5	122.8	113.2	119.5	122.8	105.7	

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

Economic activities		REMUNERATION OF LABOR BY ECONOMIC ACTIVITIES															
		Total economy	Agriculture, forestry and fishing	Industry	Constructions	Wholesale and retail trade; maintenance and repairing of vehicles and motorcycles	Transport and storage	Accommodation and food services activities	Information and communication	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 care	Art, recreation and leisure activities
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	4843.2	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	4684.5	6646.1	3891.4	6067.9	3715.8	4672.7	2984.7	8484.0
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	5272.1	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	5272.0	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	5109.2	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	10481.0	10336.0	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	10678.5
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	4784.8	4713.4	4797.7	3495.2	11567.4	9821.9	4634.6	6908.5	4336.6	7197.4	4085.6	5066.8	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

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	Individual agricultural activity	Employment activity	property	Employment activity	property	Employment activity	Other sources	
2012	1508.8	42.7	9.6	7.2	0.2	19.2	0.2	21.2	21.2	
2013	1681.4	41.6	9.1	6.9	0.2	19.9	0.2	22.3	22.3	
2014	1767.5	41.6	9.5	6.6	0.1	20.2	0.1	21.9	21.9	
2015	1956.6	41.4	9.0	6.9	0.2	20.9	0.2	21.6	21.6	
2016	2060.1	42.1	8.3	6.6	0.2	22.1	0.2	20.8	20.8	
Quarter I 2014	1650.0	42.6	10.1	5.9	0.1	20.0	0.1	21.2	21.2	
Quarter II 2014	1756.1	43.0	10.4	5.6	0.0	18.8	0.0	22.2	22.2	
Quarter III 2014	1787.4	40.7	9.0	6.6	0.1	21.4	0.1	22.3	22.3	
Quarter IV 2014	1877.8	40.1	8.8	8.1	0.2	20.7	0.2	22.0	22.0	
Quarter I 2015	1854.0	40.2	9.6	5.3	0.2	21.3	0.2	23.3	23.3	
Quarter II 2015	1997.2	43.5	9.3	6.6	0.1	19.9	0.1	20.6	20.6	
Quarter III 2015	1978.3	39.9	8.5	7.5	0.2	21.2	0.2	22.4	22.4	
Quarter IV 2015	1999.4	41.7	8.9	8.2	0.2	20.9	0.2	20.1	20.1	
Quarter I 2016	2027.8	42.4	8.7	6.2	0.2	19.5	0.2	23.0	23.0	
Quarter II 2016	2030.4	41.1	9.1	6.7	0.0	21.4	0.0	21.7	21.7	
Quarter III 2016	2080.5	41.6	7.6	7.0	0.1	24.3	0.1	19.4	19.4	
Quarter IV 2016	2105.2	42.9	8.0	6.6	0.3	23.2	0.3	19.1	19.1	
Quarter I 2017	2134.5	40.2	8.6	5.4	0.0	23.7	0.0	22.1	22.1	
Quarter II 2017	2227.6	43.2	7.3	6.5	0.0	22.0	0.0	21.0	21.0	

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

Period	HOUSEHOLD CONSUMER EXPENDITURES												
	Household consumer expenditures MDL	Food products	alcoholic beverages, tobacco	clothing and footwear	household and maintenance	endowment house	health	transport	services and communication	recreation	Education	hotel, restaurant, cafes	other goods and services
2012	1598.6	43.2	1.7	10.6	18.5	3.5	5.6	4.2	4.4	1.4	1.0	1.7	4.1
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	0.6	1.7	4.4
2016	2116.8	42.6	1.5	10.5	17.8	4.0	6.4	4.7	4.7	1.3	0.7	1.5	4.4
Quarter I 2014	1733.7	43.9	1.2	10.4	18.6	3.2	6.6	4.4	4.5	1.2	0.6	1.2	4.1
Quarter II 2014	1807.9	44.9	1.4	10.3	18.3	3.2	5.5	4.4	4.5	0.9	0.9	1.6	4.1
Quarter III 2014	1832.0	43.6	1.2	10.7	19.9	3.8	5.3	4.1	4.2	1.2	0.7	1.5	3.8
Quarter IV 2014	1893.7	42.9	1.5	11.1	18.7	3.9	5.2	4.4	4.2	1.7	0.7	1.5	4.1
Quarter I 2015	1913.3	41.5	1.4	10.9	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	4.7	4.5	1.1	0.6	2.0	4.5
Quarter III 2015	2132.7	41.5	1.4	11.8	18.9	4.1	6.2	4.0	4.1	1.5	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	1.2	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	2079.6	43.3	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	4.3	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	2091.0	44.1	1.4	9.7	18.7	3.8	6.3	3.5	4.6	1.5	0.7	1.5	4.3
Quarter II 2017	2245.3	44.3	1.6	10.4	18.4	3.8	5.5	3.9	4.5	1.2	0.5	1.4	4.3

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	Total	Theft	Brigandage	Robbery	Fraud	Pocket-picking	Blackmail	Total	Drug related crimes	Total	Trafficking in children	Total	Contraband	Manufacture of counterfeit currency	Total
2012	36615	1755	223	325	617	360	18751	14294	167	1175	1651	540	64	1785	1575	953	20	1928	163	1156	1514	1284
2013	38157	1647	215	324	608	349	20391	15378	146	1144	2065	741	88	1305	1166	1474	20	1002	151	344	1625	1444
2014	41786	1542	172	320	647	352	21875	16729	125	1127	2068	836	77	1439	1288	2423	24	1305	216	286	1804	1614
2015	39782	1389	177	252	639	303	20588	15363	113	994	2077	1011	67	1362	1191	2058	38	1429	229	433	1752	1491
2016	41921	1505	189	250	642	341	22440	18238	128	1082	2390	1598	92	1330	1153	1836	28	1132	240	216	1954	1699
Quarter I 2014	8940	336	42	67	156	91	4489	3350	28	245	467	173	25	316	276	492	6	319	54	46	389	352
Quarter II 2014	18138	769	115	140	306	172	10012	7563	84	550	1007	378	41	575	503	663	14	501	73	188	786	694
Quarter III 2014	30328	1116	129	223	497	279	15620	11828	83	840	1577	571	55	1093	979	1810	14	930	156	176	1296	1163
Quarter IV 2014	41786	1542	172	320	647	352	21875	16729	125	1127	2068	836	77	1439	1288	2423	24	1305	216	286	1804	1614
Quarter I 2015	8875	276	39	63	130	63	4601	3339	40	239	439	264	12	332	299	529	5	324	47	104	421	358
Quarter II 2015	18696	599	74	118	286	139	9615	7143	72	462	919	514	23	716	632	1039	19	713	97	259	847	722
Quarter III 2015	28583	950	118	171	478	224	14462	10793	87	714	1429	704	47	1079	955	1563	30	1012	145	333	1289	1100
Quarter IV 2015	39782	1389	177	252	639	303	20588	15363	113	994	2077	1011	67	1362	1191	2058	38	1429	229	433	1752	1491
Quarter I 2016	9808	351	46	68	141	65	5338	3916	43	247	546	365	23	285	244	466	5	247	47	47	426	366
Quarter II 2016	20588	724	88	127	316	170	11147	8149	66	485	1193	771	47	597	508	1065	14	560	120	105	925	797
Quarter III 2016	30719	1088	140	181	480	264	16381	11942	93	792	1707	1096	72	1001	880	1581	23	810	150	144	1436	1245
Quarter IV 2016	41921	1505	189	250	642	341	22440	18238	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	n/d	2835	34	198	n/d	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	n/d	5754	49	367	n/d	n/d	n/d	n/d	564	n/d	n/d	n/d	n/d	n/d	n/d	635

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