



National Institute for Economic Research

MOLDOVAN ECONOMIC TRENDS

No. 30 (Q II) 2018

ISSN 1857-3126

Chisinau

ISSN 1857-3126

MET TEAM:

Alexandru Stratan, Alina Ianioglo, Alexandru Ceban, Olga Timofei, Corina Gribincea, Tatiana Iatisin, Alexandra Novac, Tatiana Colesnicova, Zaharia Olarescu, Zinovia Toaca

The **MET** team would like to acknowledge the cooperation with public institutions of the Republic of Moldova: the Ministry of Economy, the Ministry of Finance, the National Bank of Moldova and the National Bureau of Statistics.

All rights reserved. No information in this publication can be reprinted or reproduced in any form without written permission of NIER.

© National Institute for Economic Research

For additional information please contact us:

National Institute for Economic Research

45 Ion Creanga street, Chisinau, RM, 2064

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

e-mail: info@ince.md, web site: www.ince.md

CONTENTS

Main political, economic and social events from the Republic of Moldova	10
Edition summary	14
Chapter I. PRODUCTION	19
Chapter II. PRICES, EXCHANGE RATES AND MONETARY POLICY	27
Chapter III. FINANCES	35
Chapter IV. EXTERNAL SECTOR	47
Chapter V. BUSINESS ENVIRONMENT	54
Chapter VI. SOCIAL SECTOR	56
Chapter VII. FORECAST FOR 2018	66
STATISTICAL ANNEXES	71

GENERAL DATA

Official name	REPUBLIC OF MOLDOVA
Capital	Chisinau
President	Igor Dodon
President of the Parliament	Andrian Candu
Prime Minister	Pavel Filip
Parliament of the Republic of Moldova	101 deputies: Democratic Party of the Republic of Moldova – 42, Socialist Party of the Republic of Moldova – 24, Liberal Party – 9, European People’s Parliamentary Group – 9, Communist Party of the Republic of Moldova – 6, Liberal Democratic Party of Moldova – 5, Unaffiliated deputies – 6.
Independence was obtained on	August 27, 1991
Area	33.8 thousand km ²
Administrative units	32 districts, 13 municipalities, ATU Gagauzia, Administrative-Territorial Units from the left of the Dniester
Resident Population	3547.5 thousand inhabitants (beginning of 2018)
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, 2018 – 1 USD = 16.7 MDL, 1 EUR = 19.9 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	- Herfindahl-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. Industrial sector activity in January-June 2018.....	21
Table 1.2. Main types of livestock production during January-June 2018	23
Table 1.3. Investment in fixed assets divided by sources of funding in January-June 2018 ...	24
Table 1.4. Tourists and excursionists participating in tourism through travel agencies and tour operators.....	25
Table 2.2.1. NBM activity on interbank foreign exchange market during January 2017-July 2018	32
Table 4.1. Dynamics of trade exchanges in the first half of 2016-2017, mln. USD.....	50
Table 5.1. Dynamics of main indicators of business activity during 2016-2017.....	54
Table 5.2. Main indicators of SME sector in 2017	54
Table 5.3. Data on net profit (loss) of organizations from the left of the Dniester River by types of activity in January – June 2018	55
Table 6.1. Subsistence minimum on average per capita in the region from the left bank of the Dniester River in January-June 2018, rubles per month.....	64
Table 7.1. Dynamics of main macroeconomic indicators during 2015-2017 and forecast for 2018	68

FIGURES

Figure 1.1. GDP dynamics, January-June 2009-2018, %.....	19
Figure 1.2. Contribution of resource components to GDP formation in semester I, 2018 and to its increase compared to semester I, 2017, %.....	20
Figure 1.3. Contribution of components of uses to GDP formation and increase in January-June 2018 compared to January-June 2017, %.....	20
Figure 1.4. Indexes of industrial production in January-June 2009-2018, %.....	21
Figure 1.5. Dynamics of agricultural production in January-June 2009-2018, %.....	22
Figure 1.6. Transported commodities in January-June 2009-2018, thousand tonnes.....	23
Figure 1.7. Dynamics of the volume of investment in fixed assets in January-June 2009-2018, %.....	24
Figure 1.8. Annual dynamics of industrial production index, semester I 2009 -2017 (%).....	26
Figure 2.1.1. Annual growth rate of CPI and its components, %.....	27
Figure 2.1.2. Annual growth rate of CPI and core inflation, %.....	28
Figure 2.1.3. Annual growth rate of industrial production prices and its components, %.....	29
Figure 2.1.4. Development of average monthly nominal exchange rate of MDL in relation to USD and EURO.....	30
Figure 2.1.5. Annual growth rate of CPI in region from the left side of the Dniester River, %.....	30
Figure 2.2.1. Development of interest rates on monetary policy instruments of the National Bank of Moldova.....	31
Figure 2.2.2. Structure of money supply M3.....	33
Figure 3.1.1. Structure of revenues in NPB* in the first half of 2018, %.....	35
Figure 3.1.2. Structure of revenues by source in NPB in semester I of 2017-2018, mln. MDL.....	36
Figure 3.1.3. Structure of expenditures in NPB in semester I of 2018, %.....	37
Figure 3.1.4. NPB deficit, mln. MDL.....	38
Figure 3.1.5. Structure of public sector debt during 2017-2018, mln. MDL.....	39
Figure 3.1.6. Relation of public debt types against GDP.....	39
Figure 3.2.1. Development of quality of bank assets.....	41
Figure 3.2.2. Development of quality of bank capital.....	42
Figure 3.2.3. Level of liquidity of the banking sector on June 30, 2018.....	42
Figure 3.2.4. Dynamics of loans by currency and debt category.....	43
Figure 3.2.5. Dynamics of non-performing loans in the banking sector.....	44
Figure 3.2.6. Development of net banking margin, average interest rates on new deposits and loans in MDL, %.....	45
Figure 3.2.7. Development in the balance of deposits in banks, mln. MDL.....	45

Figure 3.2.8. Development of banking return and profitability in 2017-2018.....	46
Figure 4.1. Direct investment, liabilities, equity capital accumulated on June 30, 2018, by economic activities, %.....	48
Figure 4.2. Remittances from abroad made in favour of individuals through Moldovan banks quarterly in 2011-2018, mln. USD.....	49
Figure 4.3. Dynamics of quarterly remittances from CIS and EU in favour of individuals during 2015 – 2018, %.....	49
Figure 4.4. Trends of external trade in goods in January-June 2010-2017, mln. lei.....	50
Figure 4.5. Structure of export by groups of countries during January-June, %.....	51
Figure 4.6. Structure of import by groups of countries during January-June, %.....	52
Figure 4.7. Dynamics of external trade in Transnistrian region during semester I, 2017- 2018, mln. US dollars.....	52
Figure 6.1. Natural movement of population in Q II, 2010-2018.....	56
Figure 6.2. Dynamics in the number of employed, unemployed population and employment and unemployment rates of population aged 15 and over in Q II, 2012-2018.....	57
Figure 6.3. Dynamics of nominal salary in public and real sectors during Q I 2017– Q II 2018, MDL.....	58
Figure 6.4. Dynamics of household disposable revenues, nominal value and growth rates by quarters, Q I 2015 – Q II 2018.....	60
Figure 6.5. Dynamics of consumer expenditures, nominal value and growth rates by quarters, Q I 2015 – Q II 2018.....	61

BOXES

Box 6.1 Real sector wage	59
Box 6.2 Rising heating tariff	61
Box 6.3 Pension valorization	62

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

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

April 4

The Government has approved the decision on organization and operation of the Investment Agency. The Agency will be created by the fusion of the of the Moldovan Investments Attraction and Exports Promotion Organization and the Tourism Agency. The duties of the Agency deal with the promotion of Moldova's image for the attraction of foreign investments, support and promotion of exports, tourism and strengthening the economic diplomacy.

April 4

The Cabinet of Ministers approved the Agreement between the Government of Moldova and the Government of the United Arab Emirates on economic and technical cooperation, signed in Dubai on January 30, 2018. In order to boost the cooperation between the two countries, a Moldova-Emirates joint economic commission will be set up, which will establish the priority sectors of interest and will solve certain difficulties emerged in the process of the agreement's implementation.

April 13

The Government approved the action plan on implementation in 2018-2020 of the reform strategy for entrepreneurship for 2013-2020. The planned measures will ensure a more favorable environment for the economic agents in the country, such as the implementation of the online registration of independent activity in the State Tax Service Information System, the taxpayer's unique payment account, simplification and standardization of the procedures for customs clearance of goods, making of a new Customs Code etc.

April 18

Switzerland has launched a new Cooperation Strategy with Moldova which will be carried out in 2018-2021. The government of the Swiss Confederation will earmark technical assistance worth 50.9 million Swiss francs to our country in areas such as local governance, health, economic development and employment. The strategy is coordinated at country level by the Swiss Cooperation Office, which is the local office of the Swiss Agency for Development and Cooperation and representative of the Swiss Embassy in Moldova. Since 2010, the Republic of Moldova took advantage of assistance amounting to about 85 mln. Swiss francs.

April 19

The Republic of Moldova and Belarus signed today eight bilateral cooperation agreements in such areas as justice, health, education and energetics efficiency. According to the Government of Moldova, the cooperation on socio-economic development of our country and Belarus will be also strengthened by signing several documents in the field of prosecution and interethnic relations. In regard to regional interaction there were signed three agreements on trading, economic and cultural cooperation between Gomel city and ATU Gagauzia, Kobrinsky-Cahul and Hantsavichy-Leova districts.

May 3

The Executive Board of the National Bank of Moldova has adopted the maintenance of the base rate applied on the main short-term monetary policy operations at the actual level of 6.5% annually. The interest rates on overnight loans are maintained at the actual level of 9.5% annually and on overnight deposits at the current level of 3.5% annually. At the same time, it was decided to maintain the required reserves ratio from means attracted in Moldovan lei and non-convertible currency at the actual level of 40.0% of the computation base and required reserves ratio from means attracted in freely convertible currency at the actual level of 14.0% of the computation base.

May 7

The United States Agency for International Development (USAID) in Moldova has launched the "My Community" program, which will provide support to improve public services, upgrade infrastructure, and increase the revenues at local level. More than 100 localities in the country will benefit from financial assistance for development totaling USD 20.5 million over the next five years. Each infrastructure project within the program is worth about 500.000 USD.

May 10

The Government approved the National Action Plan for 2018 to implement the National Employment Strategy to encourage job creation in villages and towns and increase employment opportunities. The envisaged actions are focused on achieving four goals: developing people's skills to increase employment opportunities, ensuring a good labor market governance, unlocking the potential of migration for a sustainable development and creating employment opportunities. To implement the measures included in the plan, 1.2 billion MDL are needed, which will be covered from the state budget and external sources.

May 11

The Parliament ratified the Agreement with Turkey on mutual promotion and protection of investment signed in Istanbul on December 16, 2016. The purpose of the document is to promote and protect mutually the investment, as well as to establish basic legal principles intended to strengthen the friendship between the two states. The agreement is for a period of ten years and will come into force on the date of receipt of the last notification on the completion of all necessary internal procedures.

May 16

The Government approved the signing of an Amendment to the Agreement on Assistance for an Effective and Responsible Democratic Governance signed in September 2016 in Chisinau between the Government of the Republic of Moldova and the Government of the United States of America. According to the agreement, the US will provide technical assistance amounting to US \$ 3.5 million, additional to the total amount of US \$ 36.1 million for child protection projects („My childhood” - 2 million USD) and the development of independent mass-media (1.5 million USD).

May 18

The National Coordination Council for Regional Development approved three major projects amounting to over MDL 60 million: "The capital construction of the R1-R14 by-pass road, the access road to the sub-zones No. 4 and 5 of the Balti Free Economic Zone, in Straseni", "Rehabilitation and modernization of the L442-Straseni-Voinova regional road, Straseni district" and "Sustainable and competitive development of Rezina town by developing tourist facilities of Rezina sports complex". The money will be earmarked from the National Fund for Regional Development, but also from sources of private investors.

May 24

The Parliament ratified the agreement on financing between Moldova and the International Development Association, signed in Chisinau on March 12, 2018. Under the agreement, the money will be used to continue reforms in the education sector and ensure the quality in the primary and general secondary education institutions. According to the agreement, the Republic of Moldova will benefit by an additional financing of \$ 10 million under the "Education Reform in Moldova" project, financed by the World Bank and implemented between April 2013 - June 2020.

May 24

The parliament approved the national action plan in the human rights sector for 2018-2022. The document contains 31 strategic goals and 51 targets from 16 intervention fields. This is a national-level document of policies, the promotion of which aims to further guarantee the implementation of measures which would allow the development of all citizens, in particular those of vulnerable groups, on an equal footing. The Government is to create the National Human Rights Council, responsible for monitoring and evaluating the implementation of the National Human Rights Action Plan for 2018-2022 and other national human rights policy documents.

May 25

The Russo-Moldovan Agreement of Establishment of Economic Council has been signed in St. Petersburg by the President of Moldova, Igor Dodon and the co-president of the "Delovaia Rossia" Russian Public Organization, Andrei Nazarov, in order to establish cooperation and restoring of trade between countries. The Council is meant to facilitate regular meetings between entrepreneurs to develop and promote the joint investment projects, as well as work together to create a favorable business environment, identify barriers and propose solutions needed to eliminate them.

June 5

The Executive Board of the National Bank of Moldova has adopted the maintenance of the base rate applied on the main short-term monetary policy operations at the actual level of 6.5% annually. The interest rates on overnight loans are maintained at the actual level of 9.5% annually and on overnight deposits at the current level of 3.5% annually. At the same time, it was decided to maintain the required reserves ratio from means attracted in Moldovan lei and non-convertible currency at the actual level of 40.0% of the computation base and required reserves ratio from means attracted in freely convertible currency at the actual level of 14.0% of the computation base.

June 9

The speaker of Parliament, Andrian Candu, and his counterparts Irakli Kobakhidze and Andriy Parubiy, have signed today the document on setting of parliamentary Assembly of Moldova, Georgia and Ukraine in Kiev. The Assembly will serve as a platform for promoting the interests of citizens of the three countries as well as cooperation and exchange of experience on areas of common interest. It will have an advisory status which will be approved at a subsequent meeting.

June 14

The Republic of Moldova and Canada signed the Agreement on Mutual Investment Promotion and Protection (FIPA) in Ottawa. In the opinion of Tudor Ulianoschi, the Minister of Foreign Affairs and European Integration, signing the FIPA Agreement represents a strong signal for the business environment of both countries to open up new opportunities for initiating and implementing investment projects.

June 22

The Government signed the Precontract on the acquisition of the 41% of newly issued systemic shares of the Moldova-Agroindbank S.A by the International Investors Consortium (EBRD, Invalda INVL, Horizon Capital). The consortium's representative said that investors will come to MAIB with a new discipline, new technologies, new things that will make the bank to maintain its leadership and to grow.

June 29

The Board of Executive Directors of the International Monetary Fund approved a new funding tranche of almost \$34 million for Moldova. The Agreement with Moldova has been approved in 2016 and is funded by two loan instruments – Enhanced Financing Facility (EFF) and Extended Credit Facility (ECF), which aims to support Moldova's economic and financial reform programme.

EDITION SUMMARY

Production

Since the first half of 2018 **the Gross Domestic Product** totaled 81775 mln. MDL at current prices, thus increasing by 4.5% compared with the similar period of the previous year. This increase is mainly due to the wholesale and retail trade; maintenance and repair of vehicles and motorcycles; transport and storage; accommodation and food service activities; (+1.6%), mining industry; manufacturing industry; production and supply of electricity, heat energy, gas, hot water and conditioned air; water distribution; sanitation, waste management, decontamination activities (+1.1%), constructions (+0.5%) and information and communications (+0.4%).

During the respective period, **industrial production** enjoys a significant increase of 8.4% (gross series) against quarter I, 2017. This increase was due to the mining industry, which rose by 2.3%, manufacturing industry (+9.5%) and production and supply of electricity, heat energy, gas, hot water and conditioned air – with an increase of 5.0%.

Total agricultural production in the first semester of 2018 grew by 7.2%. This result is mainly due to vegetable production, which rose by 54.6% sply. In the same period, the livestock production increased by 0.7% sply.

In the respective period, **transport of commodities** reached 7708.3 thousand tonnes, exceeding by 14.9% the result of the first semester of the last year. In this period, the transport of commodities by all means of transport registered increases, and namely: railway transport (+18.6%), road transport (+13.2%), river transport (+21.1%) and air transport (+38.9%).

Investment in fixed assets during this period increased by 7.4% compared with the same period of 2017, reaching 6767.7 mln. MDL as a result of the increase of 7.2% of investment in tangible assets and increase of 21.6% of investment in intangible assets.

Prices and exchange rates

Average annual inflation rate in the first half of 2018 recorded a downward trend, maintaining within the limits of stationary target range of 5 percent (± 1.5 percentage points) and accounted for 4.2%, which is a slight decrease compared to the level recorded in the similar period of the previous year (-1.5 p.p.).

In quarter II, 2018 the growth rate of CPI decreased slightly below the minimum limit of NBM target and amounted to 3.2%, declining by 3.9p.p. compared to the same period of the last year. For CPI components there were recorded the following rises in April-June 2018: food products – 5.4%, non-food products – 2.8%, services – 0.3%. The decreasing trend of CPI in the first semester of 2018 was the result of a reduction in food price pressures, regulated prices and appreciation of the national currency.

Core inflation rose so that exceeded slightly the CPI dynamics. The annual growth rate of core inflation during April-June 2018 was 3.6% sply decreasing by 1.2p.p. against the level reached for the same period of the last year. The decreasing trend of core inflation was due to the appreciation of national currency against the major reference currencies and decrease of the inflationary pressures from the CPI components.

In quarter II of 2018 other price indices have also recorded uneven increases which had the following developments compared to the same period of the previous year:

- Ü industrial production price index decreased by 3.1 p.p. and reached 0.5% compared with the same period of the previous year.
- Ü prices in construction sector dropped by 2.5 p.p. accounting for 2.1% against the same period of the previous year;
- Ü producer prices for agricultural products have reduced by 4.6% in comparison with the similar period of the last year;
- Ü growth rate of fuel prices recorded 7.4% sply on national market, declining by 2.3p.p. compared to the same period of 2017.

In quarter II of 2018 the **average nominal exchange rate** against the major reference currencies was 16.7 MDL/USD and 19.9 MDL/EUR, appreciating by 11.2% against the US dollar and by 3.4% against the single European currency compared with the same period of the previous year.

Monetary policy

In the first quarter of 2018, in order to achieve the price stability goal under the persistence of the deflationary pressures, the National Bank of Moldova maintained the rates on the main instruments of the monetary policy constant. Thus, the **base rate** maintained at the level of 6.5%, interest rate on overnight loans – 9.5% and interest rate on overnight deposits – 3.5%.

Reserve requirement ratio from means attracted in Moldovan lei and non-convertible currency remained the same in the first half of 2018, at the level of 40 percent and the reserve requirement ratio from means attracted in convertible currencies at the level of 14 percent. In September 2018, the NBM adopted a new increase in the reserve requirement ratio, it is expected to increase by 2.5% and to grow the volume of money supply which is frozen in bank accounts, a money supply which could be redirected to lend the economy.

Official reserves by the end of quarter II of 2018 increased by 86 mln.USD compared to the end of the previous year amounting to 2889.8 mln.USD. In the second half of 2018, the official assets continue to rise reaching in September a record of over 3 bln.USD.

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

Public finances

In the first six months of 2018, the **total national public budget revenues** amounted to 27776.9 mln. MDL, increasing by 2872.4 mln. MDL or 111.5%, and as a weight in GDP, these recorded an increase of 0.4 p.p. from 16.6% in the first half of 2017 up to 17.0% in the first half of 2018. During the analyzed period, the value of revenues from taxes and duties rose by 9.3% compared to the similar period of the last year from 16353.7 mln. MDL (2017) to 17880.9 mln. MDL, the highest contribution having the taxes and duties on goods and services 42.11%, including VAT – 30.49% and income tax 18.21%. The weight of excize duties in revenues reduced from 11.02% in the first half of 2017 up to 8.44% in the reference period. The weight of duties on external trade and foreign operations in the first half of 2018 accounted for 2.84%, by 0.16 p.p. as against 2017. The tax on real estate has also recorded a reduction from 1.32% in 2017 to 0.78%. The importance of grants for the NPB in 2018 increased from 0.34% in 2017 to 0.45%, as the share of non-tax revenues – from 4.81% in 2017 to 5.41%. In the first six months of 2018, there were received grants, by 41.2 mln. MDL or 48.9% more than in the same period of 2017, including 90.44% - from international organizations, the value of grants from the governments of other countries declining by 19.6 mln. MDL or 7.6% as against 2017.

Public budget expenditures initially approved in the amount of 41332.4 mln. MLD, were increased by 652.1 mln. MDL along the way, as a result the estimated volume per year was

41984.5 mln. MDL, being executed in the amount of 17850.1 mln. MDL or 42.5%. The execution of the government budget in the first half of 2018 ended in a budgetary balance (deficit) of 562.1 mln. MDL, which is 11.1% of the amount determined per year.

On June 30, 2018 **the public debt balance** amounted to 50927.0 mln. MDL, with an external public debt of 28128.7 mln. MDL and internal public debt of 22798.3 mln. MDL, decreasing by 733.3 mln. MDL or by 1.4% compared to the end of 2017. The decline of the public debt balance compared with the similar period of the previous year is due to the decrease of the external public debt denominated in national currency and to the negative fluctuation of the exchange rate of the US dollar against other currencies during the first half of 2018. At the same time, the public debt balance was also influenced by the increase of the internal public debt from the net SS issuance account for the financing of the government budget deficit to the tune of 219.8 mln. MDL.

Banking sector

During the first half of 2018, the Moldovan banking sector experienced positive developments in the main indicators characterizing the general activity of banks and the prudential one. After a longer period of time, in which the first three banks in the system, BC „Moldova -Agroindbank” S.A., BC „Moldindconbank” S.A. and B.C. „Victoriabank” S.A., holding 65.5% of the banking sector’s assets were under intensive supervision due to their risk exposure and a non-transparent shareholder structure, the intensification of the activity ensuring transparency to the banks’ shareholders resulted in success. In August 2018, the National Bank lifted the intensive supervision regime for BC „VICTORIABANK” S.A. During this period, the bank succeeded not only to diminish the balance of non-performing loans but also to comply with the transparency requirements of shareholder structure, since January 16, 2018 Banca Transilvania became its majority investor.

In this regard, the **question of investor identification**, which should purchase the equity stake of 63.89% of BC „Moldindconbank” S.A and 43.1% of BC „MOLDOVA-AGROINDBANK” S.A, shares of a group activating together and put up for sale as a single equity stake on MSE, still remains unresolved.

Specific to the reference period is maintaining the trend towards an increase in the assets, deposits and capital in the banking sector, which rises their ability to face the risks from this activity. Although, the prudential indicators moderated the growth rate, they remain to be very high, especially referring to excess liquidity. **The lending** is robust and precarious, though some progresses in this respect begin to take shape. The volume of non-performing loans is slowing down, though it is still high.

External sector

In semester I of 2018, **current account balance of the balance** of payments recorded a deficit of 481.73 mln.USD (of which in quarter II of 2018 amounted to 282.10 mln. USD), which increased by 56.5% against that from January-June 2017. As a share of GDP, the current account deficit accounted for 9.8% (against 7.9% in the first half of 2017).

International investment position. Total stock of liabilities as direct investment amounted to 3915.27 mln. USD on June 30, 2018 up by 4.9% compared to December 31, 2017.

Total volume of remittances from abroad in favour of individuals from Moldova, in the first half of 2018 was up by 16.1%. The total volume of remittances amounted to 640 mln. USD.

External trade in goods during January-June, 2018 rose by 26.2%, compared to the same period of the last year. Thus, the external trade in goods amounted to 4050.4 mln. USD. **The exports of goods** numbered 1315.2 mln. USD, increasing by 27.9% compared to the similar period of the

previous year. *The imports of goods* accounted for 2735.2 mln.USD, up by 25.4% in relation to the same period of the previous year.

Balance of trade deficit, during January-June 2018 amounted to 1420 mln.USD, by 266.8 mln. USD (+23.1%) higher compared to that from the same period of 2017.

Degree of imports coverage by exports in January-June 2018 was 48.1% compared to 47.1% in the same period of 2017.

Business environment

By the end of 2017, NBS registered 54.3 thousand *active enterprises*, with a slight growth of 3.8% sply.

During 2016-2017, *total number of employees* in all Moldovan enterprises, overall, registered with the statistical bodies continued the growth trend from the previous period showing a rise of 3.1%.

During the analyzed period, the sales revenues of enterprises continue the growth trend from the previous years (2015-2016), including the SMEs sector registered an increase in turnover during this period. In 2017, this indicator rose by 10.05% in total enterprises compared to the previous year. In 2017, the annual growth rate of sales revenues in the SMEs sector accounted for 10% sply.

Social sector

Demographic situation. In Q II of 2018, the total number of live births in the country amounted to 16040 pers., decreasing by 4.9% sply, the birth rate was 9.1 live births per 1000 inhabitants, decreasing by 0.4 p.p. sply. The number of deaths amounted to 19099 pers., recording a decline of 3.4% sply and mortality rate reached 10.9 deaths per 1000 inhabitants, down by 0.3 p.p. sply. In Q II of 2018, the natural decrease amounted to -3059 persons (-2907 persons sply) or -1.7 persons per 1000 inhabitants (-1.6 persons per 1000 inhabitants sply).

The total number of *marriages* in the country in Q II of 2018 amounted to 7899, reducing by 2.0% compared with the same period of the last year and marriage rate was 4.5 marriages per 1000 inhabitants declining by 0.1 p.p. sply. The indicator in the number of divorces in the country totaled 5051, increasing by 1.4% compared to Q II of the last year. The divorce rate was 2.9 divorces per 1000 inhabitants, by 0.1 p.p. more sply.

Labor market. In Q II of 2018, the *economically active population* numbered 1384.3 thousand pers., rising by 5.2% in comparison with Q II of 2017. At the same time, the *activity rate* of population was 46.4% and increased by 2.3 p.p. against the level of Q II of 2017. *Employed population* numbered 1343.4 thousand persons, growing by 5.8% compared to Q II of 2017. *Employment rate* of population aged 15 and over amounted to 45.0%, being on the rise compared to Q II of 2017. *Number of unemployed*, amounted to 40.9 thousand persons, down by 10.5% compared to Q II of 2017 according to the International Labour Office. *Unemployment rate* in the country in Q II of 2018 was 3.0%, being by 0.5 p.p. lower than in Q II of 2017. *Inactive population* in the country (aged 15 and over) in Q II of 2018 amounted to 1598.3 thousand persons, declining by 4.2% in comparison with Q II of 2017.

Labor remuneration. In Q II of 2018, the gross average monthly nominal salary amounted to 6369.8 MDL, rising by 13.0% as against Q II of 2017, and in real terms – by 9.5%. The average monthly salary in public sector (5569.6 MDL) increased by 13.1% sply, in a greater degree than the average monthly salary in the real sector (6679.6 MDL), which rose by 12.7% sply. The highest-paying economic activities are: Information and communications, (14026.3 MDL) Financial and Insurance activities (11724.7 MDL) and Production and supply of electricity, heat energy, gas, hot water and conditioned air (10939.2 MDL).

Household disposable revenues in quarter II of 2018 amounted to 2374.0 MDL on average per capita monthly, increasing by 6.6% sply and against quarter I of 2018 by 0.9%. In real terms, the household revenues rose by 3.3%. The most important sources of revenues remain to be: salaries (42.4%), social benefits (23.9%) and remittances from abroad (16.5%).

Average monthly consumption expenditures of population in Q II of 2018 amounted to 2379.0 MDL per capita, increasing by 5.9% sply and compared to Q I of 2018 rose by 2.1%. In real terms, adjusted to the consumer price indices, household expenditures increased on average by 2.6% sply. The highest part of expenditures continues to be directed towards: food consumption (45.0%), housing maintenance (18.2%) 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, 2018 amounted to 714.7 thousand persons or by 2.2 thousand persons more compared to July 1, 2017. The average amount of the monthly pension set on July 1, 2018 amounted to 1658.68 MDL, up by 11.7% compared to July 1, 2017.

Subsistence minimum. In the first half of 2018, the average monthly subsistence minimum amounted to 1895.7 MDL per capita, rising by 1.6% sply.

Chapter I PRODUCTION¹

Gross domestic product

The first half of 2018 marks an increase in the gross domestic product, this recording a nominal value of 81775 mln. MDL in current prices, which is an increase of 4.5% compared to the same period of the last year.

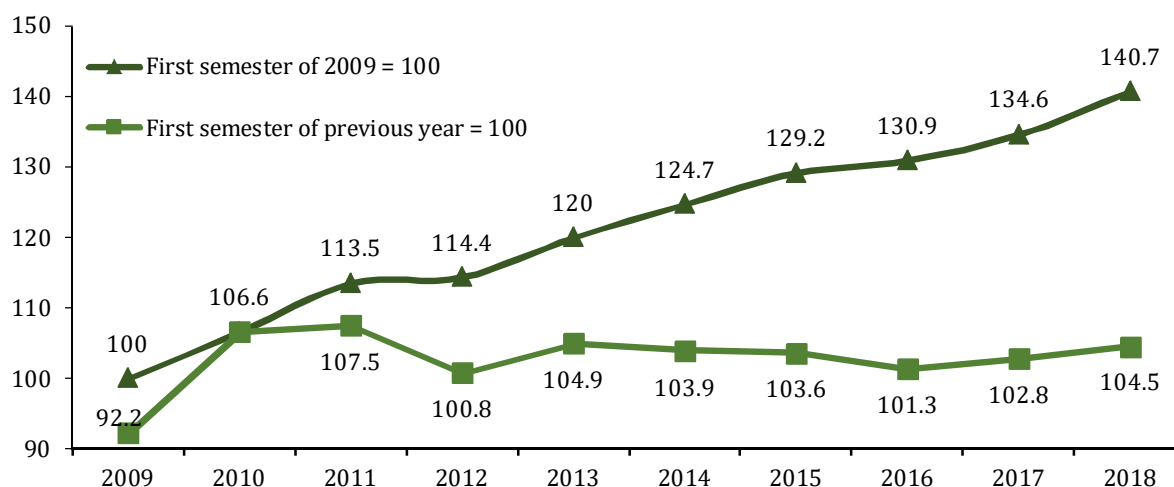


Figure 1.1. GDP dynamics, January-June 2009-2018, %

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

According to **resource categories**, the main activities which contributed to the GDP increase were:

- Wholesale and retail trade; maintenance and repair of vehicles and motorcycles; transport and storage; accommodation and food service activities with a weight of 20.4% to the GDP formation, contributed 1.6% to its increase and 7.9% to GVA growth sply.
- Mining industry; manufacturing industry; production and supply of electricity, heat energy, gas, hot water and conditioned air; water distribution; sanitation; waste management; decontamination activities – with a weight of 16.3% to the GDP formation, have contributed 1.1% to its increase and 7.0% to GVA growth sply.
- Constructions – with a weight of 8.3% to GDP formation, contributed 0.5% to its increase and 6.5% to GVA growth sply.
- Information and communications holding a weight of 5.5% to GDP formation, contributed 0.4% to its increase and 7.1% to GVA growth.

Only public administration and defense; mandatory social insurances; education; health and social assistance have contributed 0.1% to the GDP decrease having a weight of 12.9% and a 0.7% GVA reduction.

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.

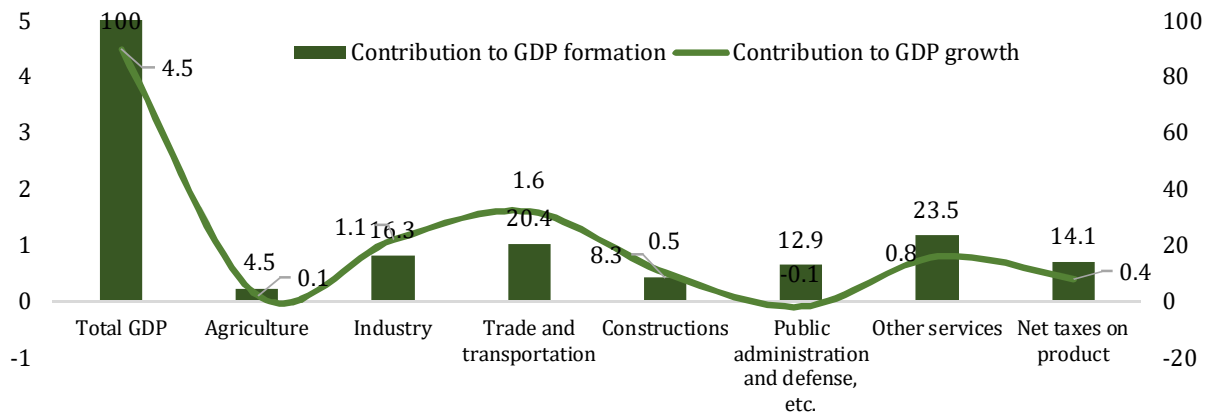


Figure 1.2. Contribution of resource components to GDP formation in semester I, 2018 and to its increase compared to semester I, 2017, %

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

During the respective period, net taxes on products rose by 3.0% compared to the similar period of 2017, totaling a weight of 14.1% of GDP and contributed 0.4% to its increase.

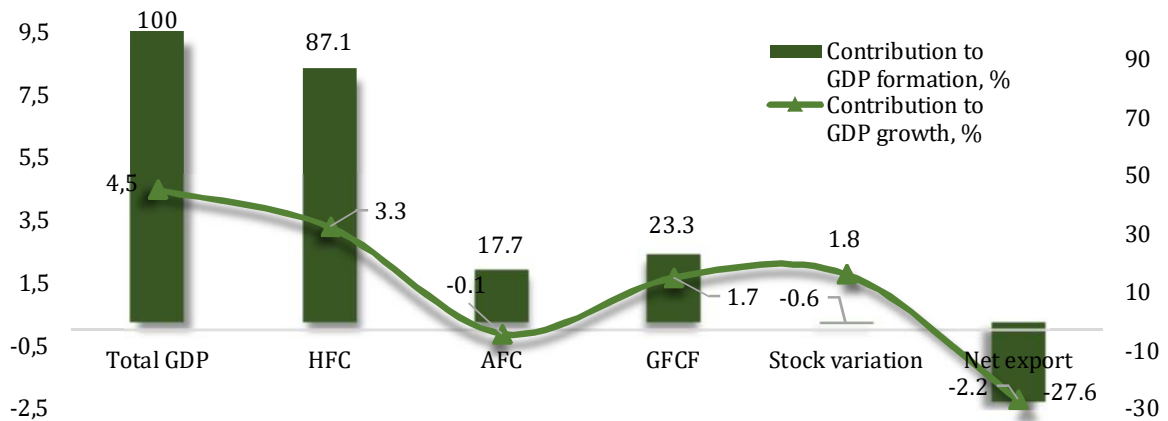


Figure 1.3. Contribution of components of uses to GDP formation and increase in January-June 2018 compared to January-June 2017, %

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

In terms of **categories of uses**, the most significant contribution to the GDP increase had the **household final consumption**, which during the respective period had a growth of 3.8% in physical volume, thus reaching a weight of 87.1% in total GDP, favouring its increase by 3.3%, as well as **gross fixed capital formation** which during this period had a growth of 7.2% in the physical volume reaching a weight of 23.3% and a contribution of 1.7% to the GDP increase.

The net export had a negative impact on GDP as a result of a higher contribution of the imports of goods and services (61.2%) on the exports of goods and services (33.6%).

Industry

The first half of 2018 enjoyed a revival in industrial production, which compared to the first half of 2017 increased by 8.4% (gross series). This result is due to mining industry which grew by 2.3%, manufacturing industry which recorded an increase of 9.5% and production and supply of electricity, heat energy, gas, hot water and conditioned air – with a growth of 5.0%.

This boost of 9.5% sply of manufacturing industry belongs to more activities of this type of industry, however the most significant rises were recorded in the following activities: "Manufacture

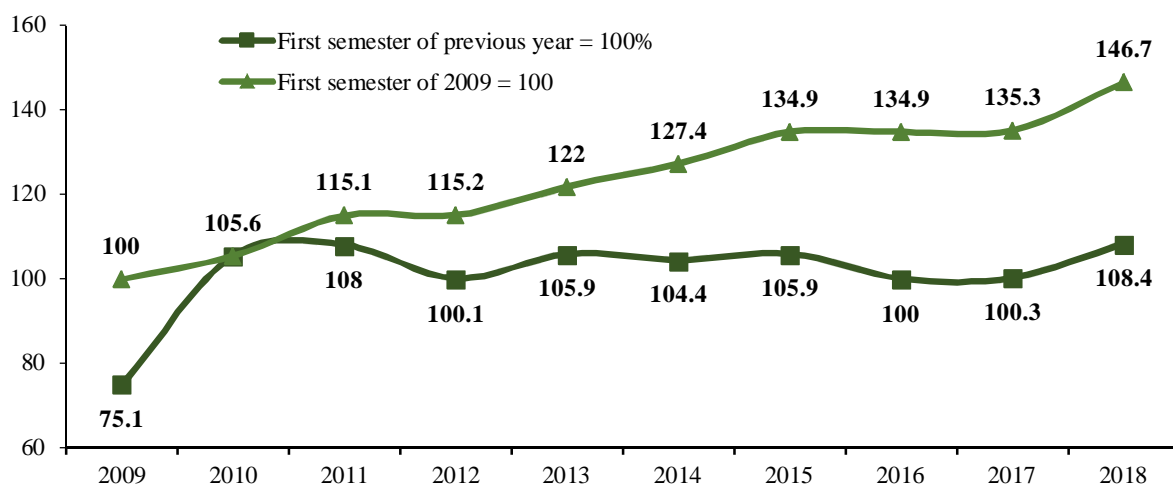


Figure 1.4. Indexes of industrial production in January-June 2009-2018, %

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

of Motor Vehicles, Trailers and Semi-Trailers" (+42.3%), "Manufacture of Electrical Equipments" (+35.3%), "Manufacture of Wood, Products of Wood and Cork except Furniture; Manufacture of straw products and other twined vegetable fabrics" (+20.9%), "Leather Tanning and Finishing; Manufacture of Travel Goods and Leather, harnesses and shoes; Fur Dressing and Dyeing" (+20.7%) and "Manufacture of Paper and Paper Products" (+20.4%). However, at the same time, in manufacturing industry there were also recorded reductions in several activities, among them were: "Manufacture of Basic Pharmaceutical Products and Pharmaceutical Preparations" (-29.8%), "Manufacture of Machinery, Equipments and Appliances n.e.c. (-23.4%), "Printing and Reproduction of Recorded Media" (-11.8%), and "Manufacture of Computer, Electronic and Optical Products" (-7.2%). Jan.-Jun. 2018 against Jan.-Jun. 2017.

Table 1.1. Industrial sector activity in January-June 2018

	Jan.-Jun. 2018 against Jan.-Jun. 2017
A	I
INDUSTRY - TOTAL	108.4
MINING INDUSTRY	102.3
MANUFACTURING INDUSTRY, of which:	109.5
Food Industry	111.1
Manufacture of Beverages	103.4
Manufacture of Tobacco Products	C
Manufacture of Textiles	115.8
Clothing Manufacturing	110.8
Leather Tanning and Finishing; Manufacture of Travel Goods and Leather; Harnesses and Shoes; Fur Dressing and Dyeing	120.7
Manufacture of Wood, Products of Wood and Cork except Furniture ; Manufacture of straw products and other twined vegetable fabrics	120.9
Manufacture of Paper and Paper Products	120.4
Printing and Reproduction of Recorded Media	88.2
Manufacture of Coke Products and Crude-Oil Processing Products	C
Manufacture of Chemicals and Chemical Products	102.6
Manufacture of Basic Pharmaceutical Products and Pharmaceutical Preparations	70.2
Manufacture of Rubber and Plastic Products	93.6

Table 1.1 – continue

A	I
Manufacture of Other Non-Metallic Mineral Products	119.9
Metallurgical Industry	110.5
Metal Construction and Metal Products Industry excluding Machinery, Equipments and Installations	103.8
Manufacture of Computer, Electronic and Optical Products	92.8
Manufacture of Electrical Equipments	135.3
Manufacture of Machinery, Equipments and Appliances n.e.c.	76.6
Manufacture of Motor Vehicles, Trailers and Semi-Trailers	142.3
Manufacture of Other Means of Transportation	C
Manufacture of Furniture	108.5
Other Industrial Activities n.e.c.	104.9
Repair, Maintenance and Installation of Machinery and Equipments	97.1
PRODUCTION AND SUPPLY OF ELECTRICITY, HEAT ENERGY, GAS, HOT WATER AND CONDITIONED AIR	105.0

C = Confidential data (less than 3 reporting units).

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

Agriculture

In the first half of 2018, the global agricultural production gets the growth pace lost in 2017, and thus, compared with the previous year records a 7.2% growth. This result is mainly due to vegetable production which increased by 54.6% sply. In the same period, the livestock production rose by 0.7% sply.

The increase of vegetable production was produced by the high harvest rates of crops in that year.

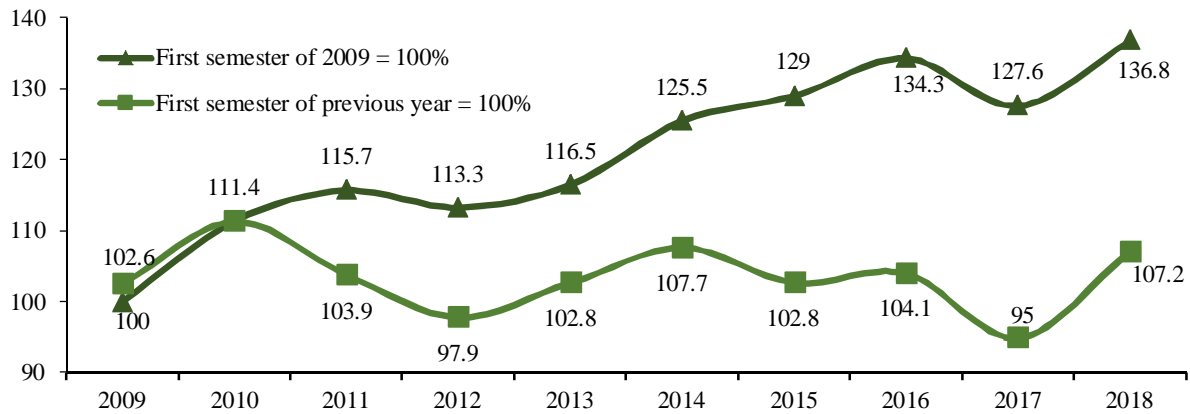


Figure 1.5. Dynamics of agricultural production in January-June 2009-2018, %

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

During that period, the zoo-technical sector experienced both increases and decreases. Thus, production (breeding) of cattle and poultry (in live weight) during that period shows an increase of 5.9% compared to the previous period, being influenced by the increase of production in agricultural enterprises by 15.9% and decrease of production in households by 1.9%. At the same time, milk production declined by 9.2% after the reduction of production in agricultural enterprises by 11.8% and households by 9%. Egg production has also decreased as a result of the decline of production in agricultural enterprises by 3.5% and households by 3.8%.

Table 1.2. Main types of livestock production during January-June 2018

	total	in % unto Jan.-Jun. 2017
Cattle and poultry (in live weight) production (breeding) - total, thousand, tonnes of which:	86.1	105.9
agricultural enterprises	42.3	115.9
households	43.8	98.1
Milk - total, thousand, tonnes of which:	203.5	90.8
agricultural enterprises	11.8	88.2
households	335.1	91
Eggs - total, mln. pieces of which:	335.1	96.3
agricultural enterprises	157.6	96.5
households	177.5	96.2

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

Transport

In the first half of 2018, the volume of transported commodities by all types of transport from Moldova reached 7708.3 thousand tonnes, a clearly higher value compared with the same period of 2017 by 14.9%. This result is due to the increase of all types of transport during this period, and namely: volume of commodities transported by railway rose by 18.6%, those transported by road – by 13.2%, those transported by river – by 21.1% and those transported by air – by 38.9%.

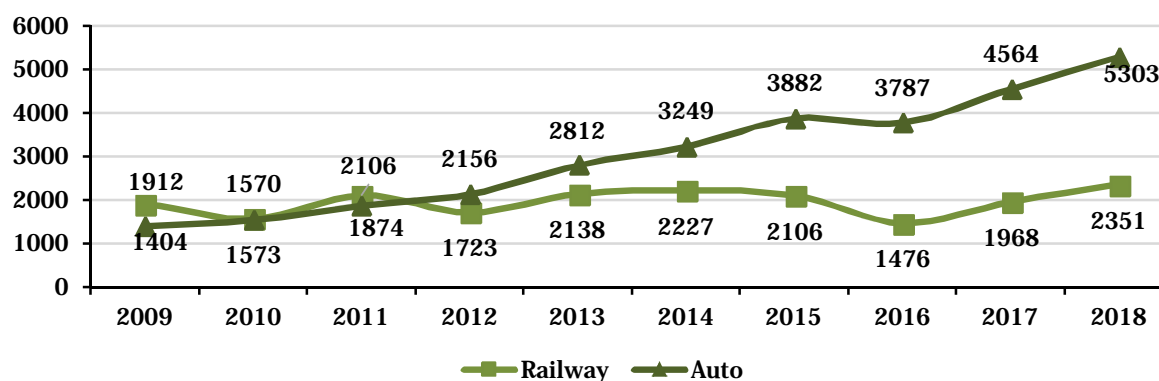


Figure 1.6. Transported commodities in January-June 2009-2018, thousand tonnes

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

During January-June, 2351.1 thousand tonnes commodities were transported by **railway transport**, which accounted for 30.5% of the total transported commodities during the respective period. In the same period of 2017, this share was 29.9% of total transported commodities.

The most significant type of transport is **road transport**, through which in the first half of 2018, 5303.3 thousand tonnes commodities have been transported, which is 68.8% of total transported commodities during that period, while in the same period of 2017, their weight was 69.4% compared with total transported commodities.

The mileage of transported commodities by all means of transportation reached 2157.3 mln. tonnes-km, by 6.8% more compared with the first half of 2017. This result was especially favoured by the road transport, which increased by 6.3% during the respective period, followed by railway, air and fluvial transport which rose by 8.3%, 21.6% and 21.1%, respectively.

The main transport chosen by passengers during the respective period was by buses and minibuses, which compared to the similar period of the last year has reduced by 1.8%. Also,

during the respective period, the railway transportation of passengers has decreased being by 1.6% lower than in the first half of the last year. Increases in passenger transportation have been recorded by fluvial transport (+24.5%) and air one (+0.5%), however these do not have a significant share in total transported passengers during the respective period.

Investment in fixed assets

In the first half of 2018, investment in fixed assets recorded 6767.7 mln. MDL, which is an increase of 7.4% compared to the similar period of 2017. This result is mainly due to the investment in tangible assets, with an increment of 7.2%, which is 97.9% of total investment in fixed assets for the respective period. However, it is also worth mentioning that the investment in intangible assets enjoys an increase of 21.6% in this period in relation to the similar period of the previous year, thus totaling 140.6 mln. MDL.

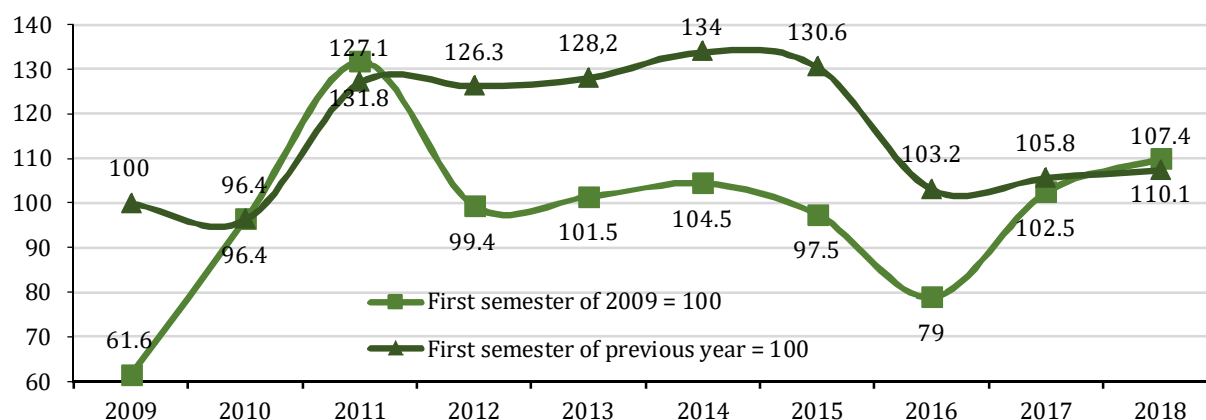


Figure 1.7. Dynamics of the volume of investment in fixed assets in January-June 2009-2018, %

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

The main types of tangible assets subject to investment are: machinery, equipment and transmission installations, non-residential and residential buildings which account for 67.1% of total investment in fixed assets.

The main sources of financing were and still are the investors' own resources, which holding a weight of 69.8% of total investment in fixed assets during that period were up by 2.9% sply, followed by the category of other sources, holding a weight of 15.5%, rose during that period by 19.3%, government budget – with a weight of 5.5% and an increase of 61.8%, administrative-territorial units budget with a share of 5.1% and a rise of 41.3% and category of foreign sources with a share of 4.1% and a decrease of 21.2%.

Table 1.3. Investment in fixed assets divided by sources of funding in January-June 2018

	Achievements, mln. Lei	In % unto:	
		January-June 2017	total
Investment in fixed assets – total	6767.7	107.4	100
Of which, funded from:			
government budget	371.6	161.8	5.5
administrative-territorial units budget	344.2	141.3	5.1
own resources	4727.3	102.9	69.8
foreign sources	278.9	78.8	4.1
other sources	1045.7	119.3	15.5

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

Trade and other market services

In the first half of 2018, the turnover of retail trade (excepting trade in vehicles and motorcycles) increased by 6.4% (in comparable prices) compared to the same period of 2017.

The turnover in wholesale trade (excepting trade in vehicles and motorcycles) during January-June 2018 increased by 9.3% (at current prices), compared to the similar period of 2017.

The turnover for market services provided to population during the respective period rose by 9.7% (in comparable prices) as against the same period of 2017 and the turnover for market services provided especially to enterprises in January-June 2018 increased by 4.9% (at current prices), in relation to the same period of 2017.

The turnover of trade in vehicles and motorcycles during the same period grew by 7.9% (at current prices), compared with the same period of 2017.

Tourism

During the first half of 2018, travel agencies and tour operators provided services to 135.1 thousand tourists and excursionists. This is up by 22.4% compared to the same period of the last year. The result is due to outbound tourism which rose by 28.2% and inbound tourism which increased by 24.9% sply. However, at the same time, the number of participants in domestic tourism decreased by 4.5% sply.

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

	Tourists and excursionists during January-June 2018	% unto January-June 2017
TOTAL	135 119	122
Inbound tourism (foreign citizens visiting our country)	8 317	124.9
Outbound tourism (Moldovan residents travelling abroad)	108 951	128.2
Domestic tourism (Moldovan residents travelling within the country, for tourism purpose)	17 851	95.5

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

Of total people who visited the Republic of Moldova through travel agencies and tour operators, 80.8% arrived for rest, recreation and leisure, 16.0% visited Moldova for business purpose and 3.2% for treatment. Most non-residents arriving in the country during that period were from: Romania (19.7%), Austria (13.1%), Russia (11.9%), Ukraine (8.4%), Germany (6.4%), Poland (5.8%).

About 109 thousand tourists (98.9% of total outbound tourism of Moldovan tourists and excursionists) who took advantage of the services of travel agencies and tour operators left abroad for rest, recreation and leisure, the main destinations being: Turkey (33.6%), Bulgaria (20.0%), Romania (14.7%), Egypt (12.2%), Greece (6.8%), Ukraine (3.9%).

During the respective period, the domestic tourism decreased by 4.5% compared to the same period of the previous year, totaling 17851 tourists and excursionists. The travel of domestic tourism was mainly organized by tour operators from Chisinau municipality (46.3%), Center (26.4%) and South (24.1%) development regions.

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

In the first half of 2018, the industrial and investment activity enjoys a significant increase compared with the last year. Thus, according to the information disseminated by the statistical body of Transnistrian region, the industrial production index for the first half of 2018 marked an increase of 36.7% in comparison with the similar period of the previous year.

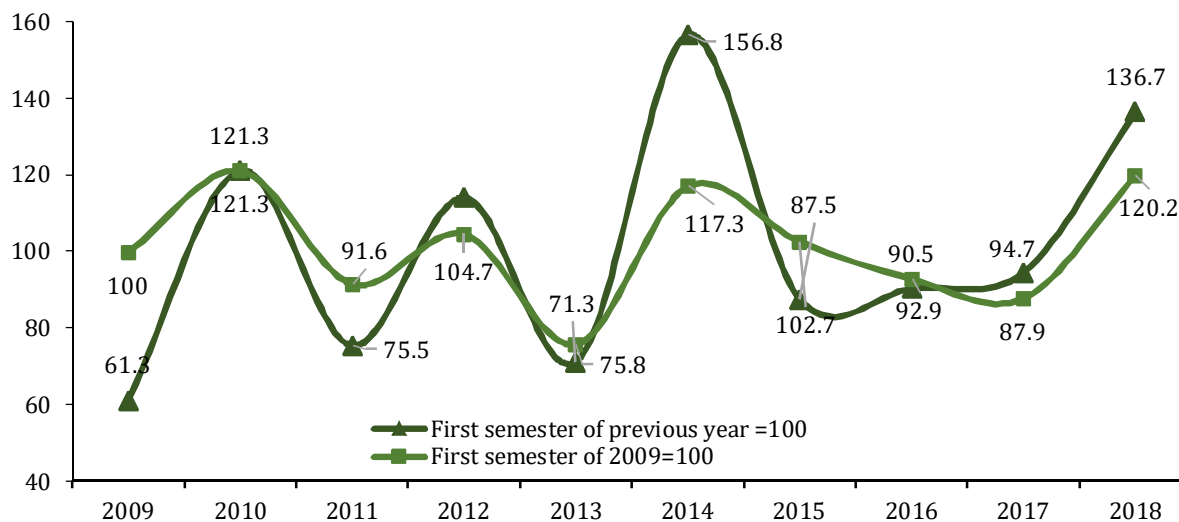


Figure 1.8. Annual dynamics of industrial production index, semester I 2009 -2017 (%)

Source: Compiled by author according to the data of the statistical body of the region to the left of the Dniester River.

This result is largely due to steel industry, which during this period rose by 87.8%, electro-technical industry – with an increase of 26.6%, machinery construction and metal processing industry – with an increase of 12.8%, chemical industry – with a growth of 25.9%, etc. However, in the same period, there were also recorded reductions in: printing industry by 3.5% and flour and grouts processing industry by 8.7%.

During January-June, 2018, the investment in tangible assets have increased by 41% compared with January – June 2017, as a result of the increment of investment in machinery, equipments and means of transport (holding a share of 63.9%) by 42.9% sply and increase of investment in construction and assembly work (with a weight of 32.6%) by 38.3% sply.

The agriculture enjoys a great rise compared with the similar period of 2017, thus increasing by 99.1%. This result is due to the vegetable production which increased by 3.7 times during this period and livestock production, which has also raised by 30.5% sply.

There is also seen a 65.8% growth in transports as against the similar period of 2017, which is due to the increase in the volume of transported commodities by 51.2%, but also a reduction of the mileage by 8.2%. The passenger transport, during the respective period, has slowly increased by 3.4% sply.

The trade provided especially to population, has recorded a growth of 14.7% sply during that period as a result of the increase in turnover of retail trade by 23.0% and a rise in turnover of food trade by 8.6%. At the same time, the turnover for services provided during the respective period has recorded reductions of 2.5% sply.

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>

Chapter II

PRICES, EXCHANGE RATES AND MONETARY POLICY

2.1. Prices and exchange rates

Prices

In the first half of 2018, the average annual inflation rate has recorded a downward trend, maintaining within the limits of stationary target range of 5 percent (± 1.5 percentage points) and accounted for 4.2%, which is a slight decrease compared to the level recorded in the similar period of the previous year (-1.5 p.p.).

In quarter II, 2018 the growth rate of CPI decreased slightly below the minimum limit of NBM target and accounted for 3.2%, declining by 3.9p.p. compared to the same period of the last year. For CPI components there were recorded the following rises in April-June, 2018: food products – 5.4%, non-food products – 2.8%, services – 0.3%. The decreasing trend of CPI in the first semester of 2018 was the result of a reduction in food price pressures, regulated prices and the appreciation of the national currency.

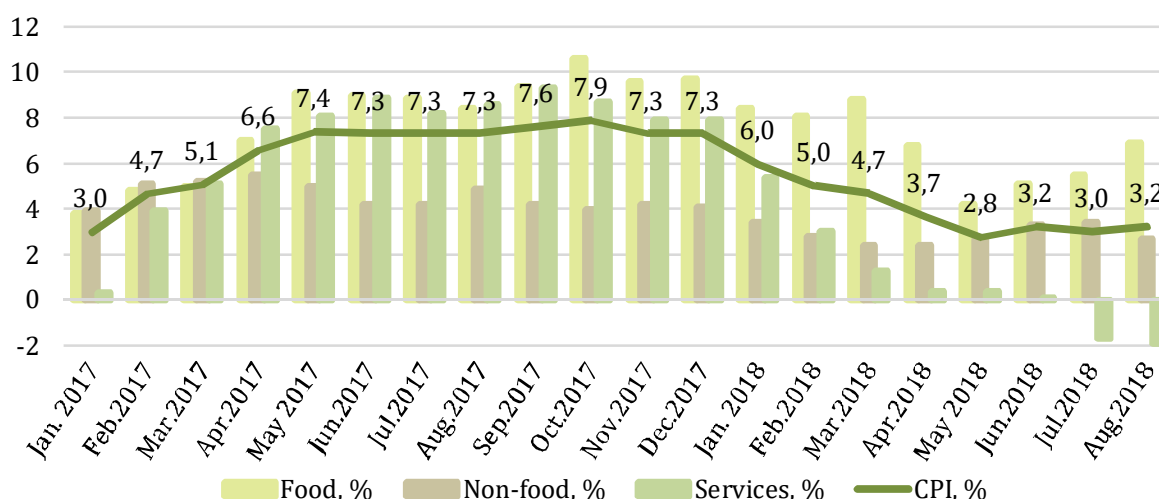


Figure 2.1.1. Annual growth rate of CPI and its components, %

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

In quarter II of 2018, the prices of food products rose by 5.4% which represents a slowdown of 3p.p. below the level recorded in quarter II of the previous year as well as against the level recorded in quarter I of this year. In monthly expression, compared with the same period of the last year, there were recorded the following price rises of food products: in April – 6.8%, in May – 4.2% and in June – 5.1%. In the second quarter of 2018, the most significant price rises for some vegetables were: carrot by 73.4%, cabbage by 21.2%, onion by 20.6%; for fruits by 11.6%, butter by 10% etc. Relative price reductions were recorded for milling and bakery products, sugar, oil, garlic etc.

The growth rate of prices of food products has decreased in the respective period mainly due to the dissipation of impact of the meteorological factors on prices of food products in the previous year, as well as the slight appreciation of the national currency against the major reference currencies.

Prices of non-food products in quarter II of 2018 have increased by 2.8% sply, the value of this indicator declining by 2.1p.p. against the same period of 2017. In monthly expression, compared to the similar period of the last year, the increases were: 2.4% in April, 2.7% in May and 3.3% in June. The decrease of the growth rate of prices of non-food products occurred against the backdrop of the regulated prices decrease (reduction of gas tariffs and drug prices) and the price decrease of imported products thanks to the appreciation of the national currency.

In quarter II of 2018, most non-food products, except for cars, refrigerators, washing machines, TVs and drugs have registered rises in price. The highest rises in price sply have been recorded for: cigarettes – by 17.5%, fuel by 7.4%, footwear – by 5%, clothing – by 4.5 etc. The prices of non-food products rose because of the amendments made in fiscal policy which led to higher excise duties on several products.

In quarter II of 2018, the prices of services have continued the downward trend, their growth rate being of only 0.3% sply, by 7.9 p.p. below the level of this indicator in 2017. In monthly expression, compared to the similar period of the previous year there were registered the following increases: in April and May – 0.4%, in June – 0.1%. In the reference period compared to quarter II of the last year, there have increased the prices for tourist services – by 25%, provision of water and sewage services by 11.8%, manufacture of furniture by 8.8% etc. The decrease of the growth rate of prices for services occurred thanks to the decline of the natural gas prices by 20.2%, railway transport by 10.5 % and electricity by 1.1%.

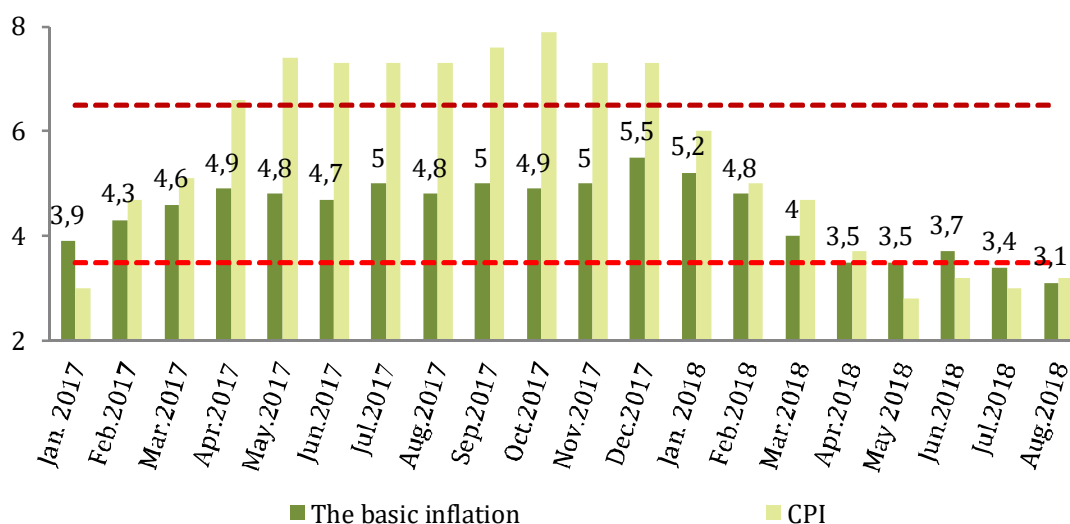


Figure 2.1.2. Annual growth rate of CPI and core inflation, %

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

In quarter II of 2018, the base rate of inflation increased, advancing slightly the CPI dynamics. The annual growth rate of core inflation during April-June 2018 was 3.6% sply, down by 1.2 p.p. against the level reached for the same period of the last year. In monthly expression, the growth rate of core inflation has recorded the following increments: in April and May – 3.5% and in June – 3.7% sply.

The decreasing trend of core inflation was due to the appreciation of national currency against the major reference currencies and decrease of inflationary pressures from CPI components. However, during this period, the core inflation was also subject to some inflationary pressures from prices of its subcomponents, such as cigarettes and tourists services.

In the first half of 2018, the industrial production prices record a deceleration. In April-June 2018, the growth rate of annual index of the industrial production prices declined by 3.1 p.p. and

reached 0.5% compared to the same period of the previous year. In industry, there were seen the following rises sply: mining industry – 2%, manufacturing industry – 0.3%, energy sector – 2.9%. The decrease of the growth rate in industrial production prices was conditioned by the decline of prices in food industry due to a rich harvest of agri-food products from the second half of 2017 and a rich fruit harvest in the spring of this year, as well as the weakening of the inflationary prices in energy sector and mining industry.

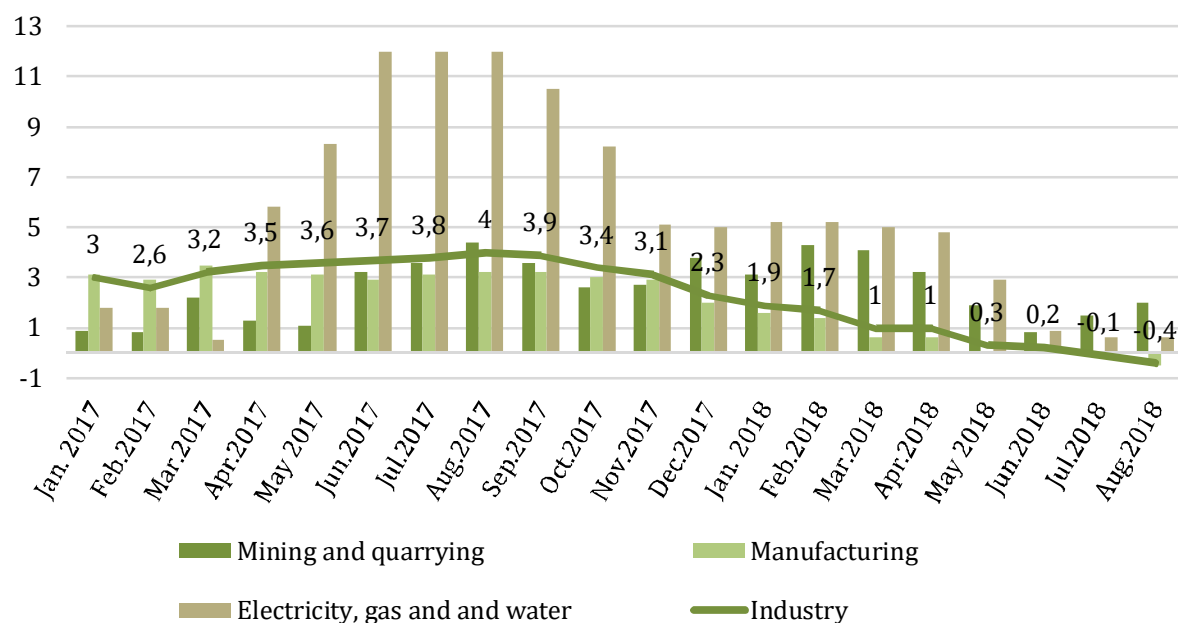


Figure 2.1.3. Annual growth rate of industrial production prices and its components, %
Source: According to the data of the National Bureau of Statistics.

The reduction of investment activity in constructions and the appreciation of the national currency led to the sharp decline of the growth rate of producer prices in constructions. The growth rate of construction prices continues to decrease for the sixth consecutive quarter, so that in quarter II of 2018 decreased by 2.5 p.p. and amounted to 2.1% compared to the level registered in the similar period of the previous year.

The rich harvest reduces the prices of agri-food products for the second consecutive year. The rich harvest of agri-food products from the second half of 2017 and the increase in the volume of agricultural production from the first half of 2018 led to the fall in prices of agricultural products in quarter II, 2018 by (-)4.6% as against the same period of the last year. The vegetable products, whose prices decreased by 4.5% sply and prices of livestock products registering a 4.8% decrease in comparison with the similar period of the last year have contributed to the fall in prices.

The increase of fuel prices and appreciation of US dollar on the international market led to the increment of fuel prices. In the second quarter of 2018, the growth rate of fuel prices in the domestic market was 7.4% sply, down by 2.3 p.p. compared to the same period of 2017, however up by 4.9 p.p. compared to the first quarter of 2018. In monthly expression, sply, the fuel price indices recorded the following values: in April – 4%, in May – 7.7% and in June – 10.6%.

Exchange rates

In quarter II of 2018, the exchange rate MDL/USD has slightly increased after a long period of decline and the exchange rate MDL/EUR continued its decreasing trend since the beginning of this year.

During the respective period, the slight depreciation of leu against US dollar has reduced the appreciation rate of the national currency. In this way, in quarter II 2018 the nominal exchange rate against the main reference currencies was 16.7 MDL/USD and 19.9 MDL/EUR and compared to the similar period of the last year appreciated by 11.2% in relation to US dollar and by 3.4% against the single European currency.

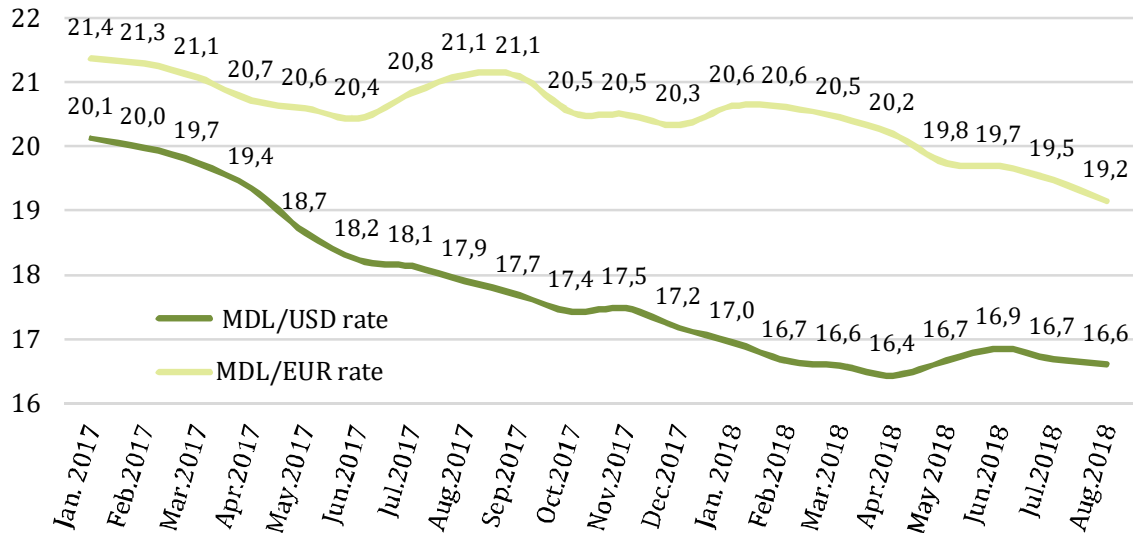


Figure 2.1.4. Development of average monthly nominal exchange rate of MDL in relation to USD and EURO

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

The appreciation of the nominal exchange rate, in quarter II of 2018, consolidated also the position of the real exchange rate of the national currency. In real terms, the Moldovan leu has appreciated by 11.6% against USD during this period (compared to the same period of the last year) and by 4.8% against Euro sply.

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

Since the beginning of 2018, there is seen a reduction in the growth rate of the annual inflation rate in the region to the left of the Dniester river. However, compared to the same period of the previous year, the CPI was up by 7 p.p. and amounted to 13.1% in quarter II of 2018.

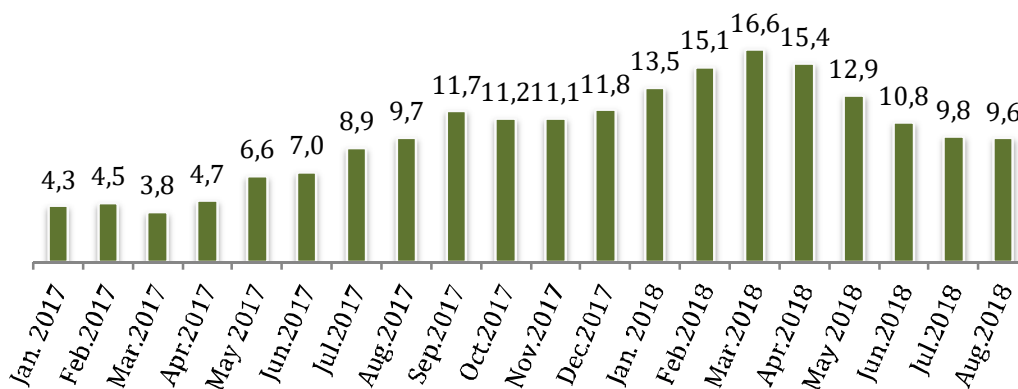


Figure 2.1.5. Annual growth rate of CPI in region from the left side of the Dniester River, %

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

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

In quarter II of 2018, the Central Bank in the region to the left of the Dniester River continued its policy of adjusting the exchange rate to the internal economic realities. In April 2018, the fixed exchange rate of US dollar has been increased from 16.00 rubles to 16.10 RUB/USD. As a result of these amendments, the real effective exchange rate index, which is the main index in decision making on foreign exchange policy, has decreased.

After the interventions of the Central Bank, the Transnistrian ruble has slowed down slightly its depreciation rate. The average nominal exchange rate RUB/EUR, during the second quarter of 2018 was 19.21 rubles per one Euro, appreciating by 0.3 rubles against the value recorded in quarter I, 2018.

2.2. Monetary policy

In the first quarter of 2018, in order to achieve the price stability goal given the persistence of deflationary pressures, the National Bank of Moldova maintained the rates on the main monetary policy instruments unchanged.

Monetary policy instruments

In quarter II, 2018 the NBM kept the values of the main monetary policy instruments unchanged: interest rate of monetary policy has been maintained at the level of 6.5 percent and and the symmetric corridor amplitude formed around it by the interest rates on permanent facilities remained unchanged (± 3 percentage points). In this way, the interest rate on overnight loans accounted for 9.5% and interest rate on overnight deposits – 3.5%.

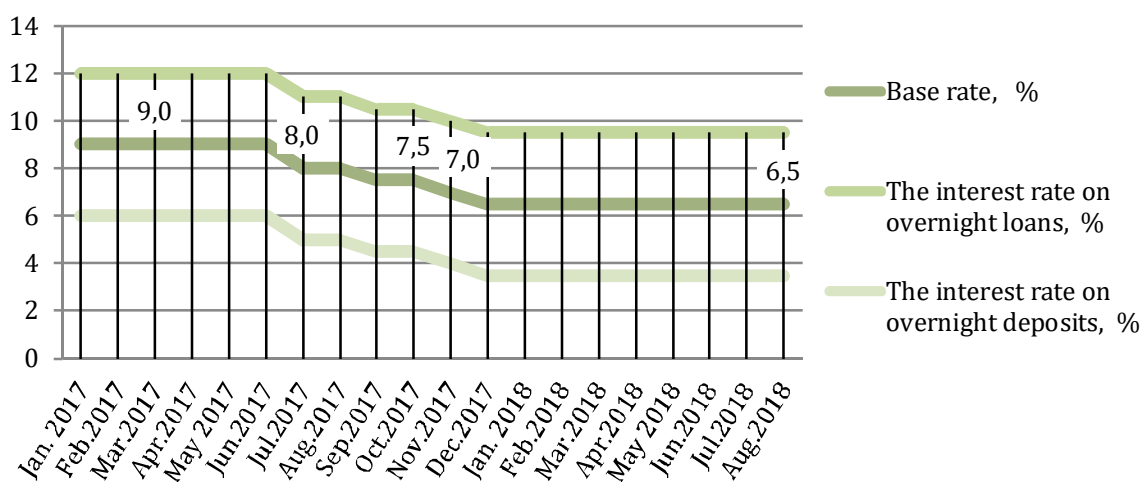


Figure 2.2.1. Development of interest rates on monetary policy instruments of the National Bank of Moldova

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

Required reserves

In order to manage the excess liquidity on the monetary market, the NBM maintained, in the first half of 2018, the required reserve ratio from means attracted in Moldovan lei and non-convertible currency at the level of 40 percent and required reserve ratio from means attracted in convertible currencies at the level of 14 percent.

In September 2018, the NBM adopted a new increase of the required reserve ratio, this is to be increased by 2.5% and to grow the volume of money supply which is frozen in bank accounts, a money supply which could be redirected to lend the economy.

Open market operations and standing facilities

In quarter II of 2018, the NBM continued to absorb the net excess liquidity from the banking system through NBC sales and deposit facilities. During the second quarter of 2018, the average monthly balance of sterilization operations was higher compared to the same period of the previous year (up by 2.7 bln. MDL) amounting to 8.27 bln. MDL. The highest balance was recorded in June 2018 when the average daily balance of the NBC sales was – 8.5 bln. MDL.

In quarter II of 2018, the demands for "overnight" deposits decreased slightly, the average daily balance amounting to – 832 mln. MDL, 806.5 mln. MDL and 840.4 mln. MDL, for April, May and June 2018 compared to the similar period of the previous year. The demand for "overnight" loans facility from the NBM on behalf of the commercial banks did not come during that period.

Foreign exchange market interventions

In quarter II of 2018, the NBM has intervened on the foreign exchange market especially as a buyer of foreign currency in order to absorb the excess of freely convertible currency and mitigate the volatility of the MDL exchange rate. The volume of foreign currency purchases in quarter II of 2018 amounted to about 41.1 mln. USD. The NBM carried out sale operations only in April, these amounted to 0.13 mln. USD.

The major volume of foreign currency purchased by the NBM in the first quarter of 2018 led to the increase and consolidation of the official reserve assets.

Table 2.2.1. NBM activity on interbank foreign exchange market during January 2017-July 2018

Month	Volume of purchases, (equivalent mln. US dollars)	Volume of sales, (equivalent mln. US dollars)
January 2017	0.48	-
February 2017	0.46	-
March 2017	28	-
April 2017	9.5	-
May 2017	37.4	-
June 2017	52.81	-
July 2017	70	-
August 2017	58.9	-
September 2017	67	-
October 2017	80	-
November 2017	20	-
December 2017	10	-
January 2018	101	44.4
February 2018	41.6	-
March 2018	19.8	0.3
April 2018	11	0.13
May 2018	10.1	-
June 2018	20	-
July 2018	51	-

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

By the end of of quarter II, 2018, the official reserves increased by 86 mln. USD compared to the end of the last year and were amounting to 2889.8 mln. USD. In the second half of 2018, the official reserves continue to rise reaching in September a record of over 3 bln.USD.

Monetary indicators

In quarter II, 2018 the money supply accelerates its growth rate compared to the dynamics from same period of the last year. A more significant contribution to the increase of money supply have had the components of monetary aggregate M1, especially demand deposits in national currency similar to the previous periods.

In this context, on June 30, 2018 the stock of monetary aggregates compared to the data registered on June 30, 2017 has developed as follows:

- monetary aggregate M0 increased by 9.8% and amounted to about 18.6 bln. MDL;
- monetary aggregate M1 grew up by 19.7% and reached 34.2 bln. MDL;
- growth rate of monetary aggregate M2 rose by 13.1% and accounted for about 54.1 bln. MDL;
- monetary aggregate M3 posted a growth of 9.1% and totaled 77.9 bln. MDL.

By the end of quarter II of 2018, the volume of monetary base recorded a growth of 8% sply and amounted to 38.8 bln.MDL.

In the structure of money supply, we notice a decreasing dynamics in the weight of deposits in foreign currency, the money supply in national currency strengthening its positions continuously. On June 30, 2018 the money supply components were distributed as follow: monetary aggregate M0 (currency in circulation) – 23.9%; demand deposits – 20.1%; term deposits – 25.6% and deposits in foreign currency – 30.5%. Compared to the data by the end of quarter II of 2017 it is mentioned a 2.4 p.p. reduction in the weight of deposits in foreign currency and a 1.5 p.p. decrease in the weight of term deposits in national currency sply. At the same time, the weight of monetary aggregate M0 and demand deposits increased by 0.2 p.p. and 3.7 p.p., respectively.

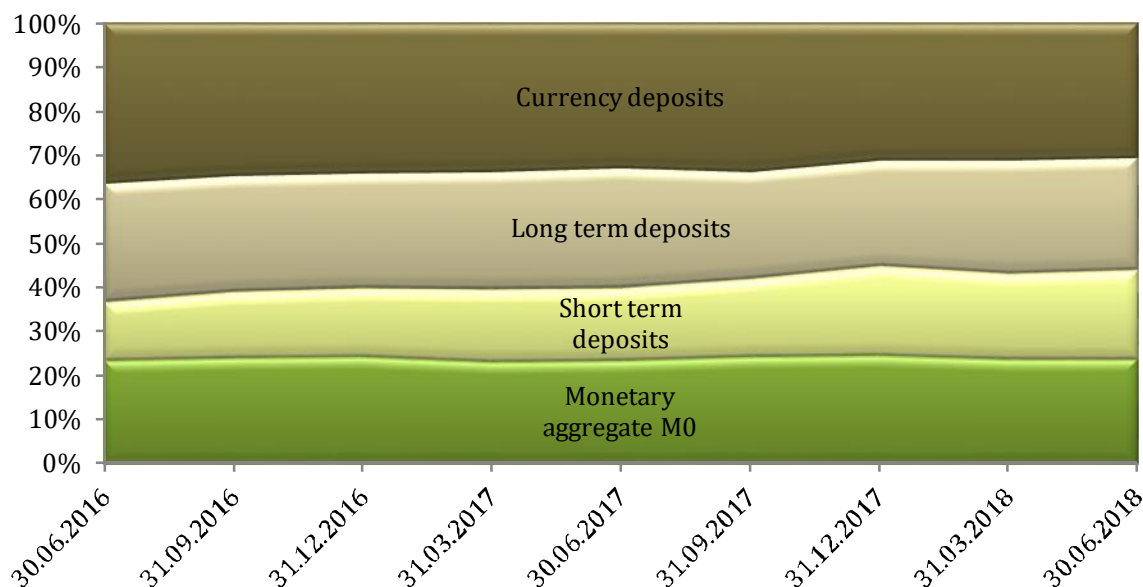


Figure 2.2.2. Structure of money supply M3

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

The structure of money supply represents an increasing trend in short-term deposits (demand deposits) which cannot be used for long-terms investment. Given that the national banking sector

is characterized by a high degree of liquidity, this does not play a significant role as an investor, cannot influence the transformation of savings in investment, and therefore does not bring the necessary contribution to increase the real economy. At the same time, the increment in the volume of deposits is due to the rise of remittances and lack of other saving instruments in the Moldovan financial market.

Monetary policy in the region to the left of the Dniester River.

The monetary policy strategy of the central bank of the Republic of Moldova's region to the left of the Dniester River is based on the regulation of foreign exchange market and aims to create conditions for the economic growth and financial stability in the region.

After the gradual increase of the fixed exchange rate of local currency against USD, the situation in the region has slightly pegged, respectively, in quarter II of 2018, the refinancing rate of the central bank was maintained at the level of 7% under several moderate inflationary processes. The ratio of required reserves was maintained at the level set in February 2017 – 12% for sources attracted in foreign currency and 15% for those attracted in rubles.

By the end of quarter II, 2018 the money supply in the region to the left of the Dniester amounted to 7930.5 mln. rubles (equivalent of about 7555.4 mln. MDL³), recording an increase of about 19%, compared to the volume of money supply recorded in the same period of the last year. This growth is due to the depreciation of ruble during this period by the central bank in the region of the Republic of Moldova from the left of the Dniester River (since June 2017, the fixed exchange rate of US dollar increased in several steps from 11.30 to 16.10 rubles).

The amendments of monetary policy left their mark on the money supply structure too. On June 1, 2018 the money supply components were distributed as follow: monetary aggregate M0 (currency in circulation) – 12.1%; quasi money – 18.9%; money supply in foreign currency – 68.4%. Compared to the similar period of the previous year, by the end of the second quarter of 2018, the weight of money supply in foreign currency increased slightly by 2.4 p.p., the weight of currency in circulation decreased by 1.6 p.p. and the weight of quasi money by about 1 p.p.

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

Chapter III FINANCES

3.1. Public finances

In the first half of 2018, the growth trend of Public Budget Revenues, recorded in the first quarter of this year, has continued. The increase of gross domestic product of 3.7% was based on the increase of household consumption (3.7% compared to quarter I, 2017) following the rise of 13.2% in the average salary and the increment of remittances by about 18.2%.

In the first half of 2018, total national public budget revenues amounted to 27776.9 mln. MDL, ensuring a growth of 2872.4 mln. MDL or 11.5%, and as a weight in GDP, the revenues grew by 0.4 p.p. from 16.6% in the first half of 2017 up to 17.0% in the first half of 2018. Compared to the same period of 2017, the national public budget had the following structure: to government budget – 17288.0 mln. MDL, to public social insurance budget – 9980.7 mln. MDL (including transfers), to mandatory health insurance funds – 3352.3 mln. MDL (including transfers), to local budget – 7050.6 mln. MDL (including transfers).

The analysis of the net revenues structure of NPB (without transfers between budgetary components) reflects a significant weight of the national budget receipts (17261.5 mln. MDL), which accounts for 62.14%, down by 0.95 p.p. compared to the same period of 2017.

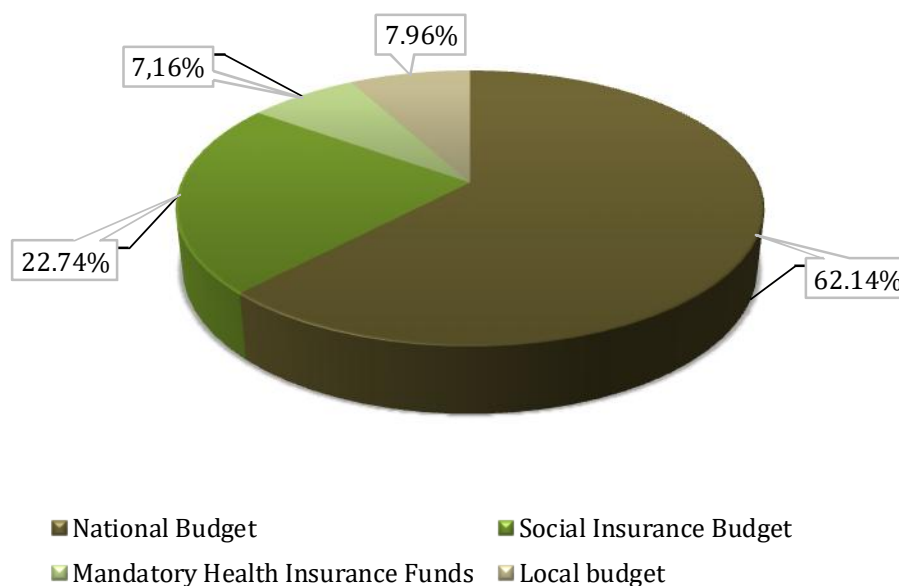


Figure 3.1.1. Structure of revenues in NPB* in the first half of 2018, %

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

Note:*to the exclusion of transfers within the national public budget consisting of 9894.6 mln. MDL (including interests collected from loans within the budget system – 2.5 mln. MDL).

During the first half of 2018, the transfers amounted to 9892.1 mln. MDL, with the following structure: 0.27% or 26.5 mln. MDL (2.8 mln. MDL in 2017) – government budget, 37.02% or 3662.3 mln. MDL (1689.7 mln. MDL in 2017) – PSIB, 13.79% or 1364.0 mln. MDL (682.0 mln. MDL in 2017) – MHIF and the largest beneficiary being the local budget with a weight of 48.92% or 4839.3 mln. MDL (2055.9 mln. MDL in 2017).

At the same time, in the first half of 2018, the contributions to the mandatory insurance budget rose by 996.8 mln. MDL or 13.7% in relation to the first half of 2017, the weight of insurance in NPB accounted for 29.77%, up by 0.57 p.p. compared to the same period of the previous year.

The contributions to PSIB grew by 13.8%, constituting 6291.1 mln. MDL. The weight of PSIB in the first half of 2018 formed 22.65%, increasing by 0.46 p.p. in comparison with the same period of 2017. The weight of MHIF in NPB in the first half of 2018 accounted for 7.12%, recording a growth of 0.12 p.p. compared to the same period of the last year and numbered 1976.9 mln. MDL.

During the analyzed period, the value of duties and taxes revenues recorded a growth of 9.3% compared to the similar period of the last year, from 16353.7 mln. MDL (2017) to 17880.9 mln. MDL, the highest contribution having the taxes and duties of goods and services 42.11%, including VAT – 30.49% and income tax 18.21%. The weight of excise duties in revenues reduced from 11.02% in the first half of 2017 to 8.44% during the respective period.

In the first half of 2018, the weight of duties on foreign trade and operations accounted for 2.84%, by 0.16 p.p. compared to 2017. The real estate taxes has also recorded a decrease, from 1.32% in 2017 to 0.78%.

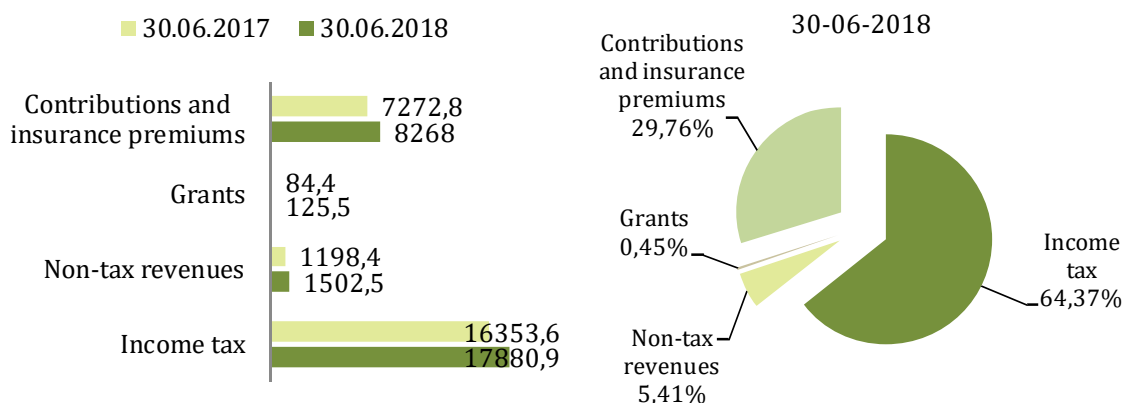


Figure 3.1.2. Structure of revenues by source in NPB in semester I of 2017-2018, mln. MDL
Source: According to the data of the Ministry of Finance.

The weight of duties and taxes was 64.37%, down by 1.28 p.p. in relation to 2017, and contributions and required insurance premiums one – 29.76%, up by 0.5p.p. as against 2017. The importance of grants for the NPB in 2018 increased from 0.34% in 2017 to 0.45%, as the share of non-tax revenues – from 4.81% in 2017 to 5.41%. In the first six months of 2018, there were received grants by 41.2 mln. MDL or 48.9% more than in the same period of 2017, including 90.44% – from international organizations, the value of grants from the governments of other countries declining by 19.6 mln. MDL or 7.6% as against 2017.

In the first half of 2018, NPB tax revenues amounted to 17880.9 mln. MDL, which corresponds to an increase of 109.3% in relation to the first half of 2017. During the respective period, the income taxes rose by 28.8p.p., amounting to 5059.0 mln. MDL, from the predominant account of legal entities revenues (138.5%), the property taxes increased by 102.5%, and the highest weight of 7.6 mln. MDL (out of 8.3 mln. MDL) being ensured by the real estate tax. The taxes and duties of goods and services rose by 103.0%, accounting for 11696.2 mln. MDL, of which the VAT had the highest increase of 109.7%, recording 8469.2 mln. MDL, especially, VAT on goods and services from Moldova - by 113.2% and VAT on imported goods – 108.8%. The duty on external trade and foreign operations brought 746.1 mln. MDL in NPB additionally compared with the first half of 2017.

In the first half of 2018, non-tax revenues amounted to 1502.5 mln. MDL, increasing by 125.7% compared to the last year. The property taxes amounted to 321.5 mln. MDL during the analyzed

period, posting a growth of 137.9%, including collected interests – 192.3% or 89.8 mln. MDL and received equities – 129.6% or 192.0 mln. MDL. The revenues from sale of goods and services generated an income of 693.7 mln. MDL or a 1.5 p.p. decrease on the reduction of 546.0 mln. MDL or 5.4p.p. of commercialization of goods and services by the public institutions. „Administrative fees and payments” totaled 177.0 mln. MDL or 111.8% as against the first half of 2017. The revenues from fines and sanctions grew by 26.5 mln. MDL, amounting to 205.0 mln. MDL and a 114.8% growth. Thus, the state collects higher revenues from from the sale of goods and services by the public institutions, however these are decreasing and the revenues from fines and sanctions being conformable with those from the received equities.

The value of tax revenues of the government budget, in the first half of 2018 recorded 16007839.8 mln. MDL, including from: 8425174.8 mln. MDL – VAT, 3807234.9 mln. MDL – income tax, 2345789.5 mln. MDL – excise duties, including excise duties on imported goods – 2268924.8 mln. MDL, 11398209.3 mln. MDL – taxes and duties on goods and services, 14264.6 mln. MDL – real estate tax.

The local budget revenues rose, in the first half of 2018, by 10.9%, accounting for 7050.6 mln. MDL, their weight in NPB forming 25.38%, down by 0.16 p.p. against the same period of 2017.

The share of national public budget expenditures, in the first half of 2018, amounted to 26884.4 mln. MDL, increasing by 107.5%, as a weight in GDP and recording a decrease of 0.1 p.p. from 16.6% in the first half of 2017 up to 16.5% in the first half of 2018.

In the first half of 2018, the value of expenditures amounted to:

- government budget – 17850.1 mln. MDL,
- public social insurance budget – 9433.0 mln. MDL,
- mandatory health insurance funds – 3076.5 mln. MDL,
- local budgets – 6419.4 mln. MDL.

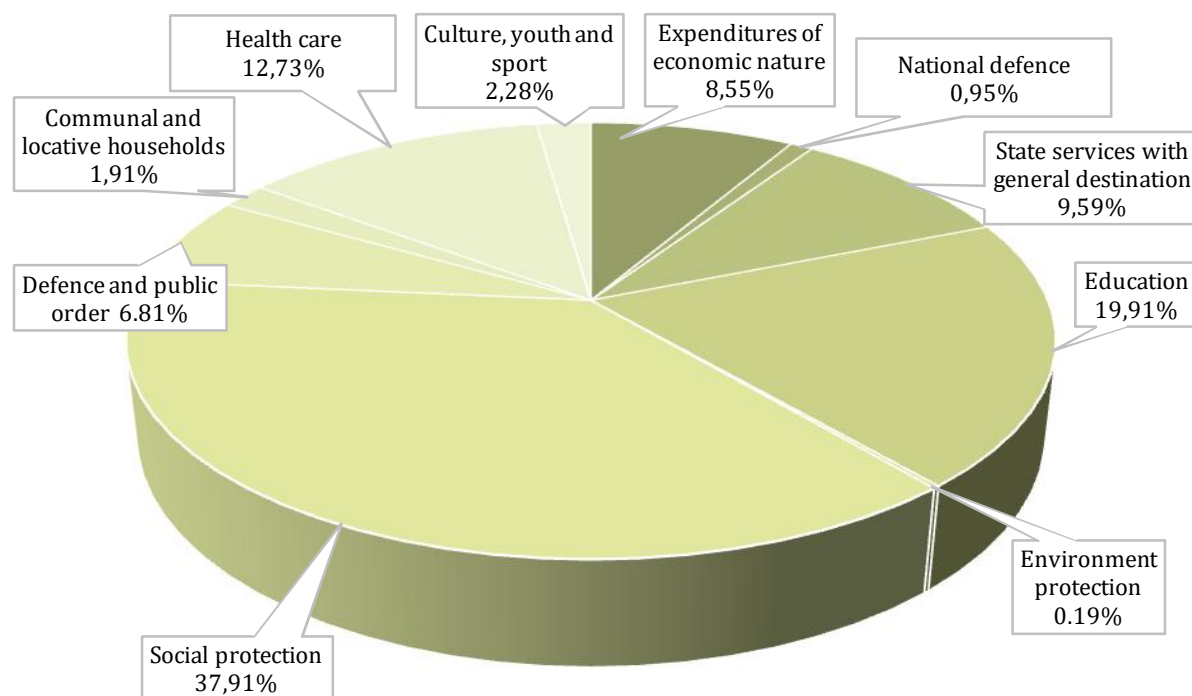


Figure 3.1.3. Structure of expenditures in NPB in semester I of 2018, %

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

Compared with the first half of 2017, the lowest increase of expenditures was recorded in mandatory health insurance funds – 5.5%, and the highest one in public social insurance budget and local budgets – 8.3% for each. The government budget expenditures increased by 7.5%.

The most significant increases were recorded in the social protection sectors – by 17.7% and national defense – by 10.8% compared to the same period of 2017. In the reference period, there was maintained the declining trend in the weight of expenditures for environmental protection from 0.26% to 0.19%, public utility services household – from 2.14% to 1.91%, health care – from 13.29% to 12.73% and culture, sport, youth, cults and rest – from 2.36% to 2.28%.

In the first half of 2018, the national public budget execution resulted in a (surplus) budget balance of 892.5 mln. MDL (or 0.54% of GDP), maintaining the trend from the end of the first quarter, but this was insufficient to show an increase as against the similar period of 2017, when there was recorded a deficit of – 101.5 mln. MDL.

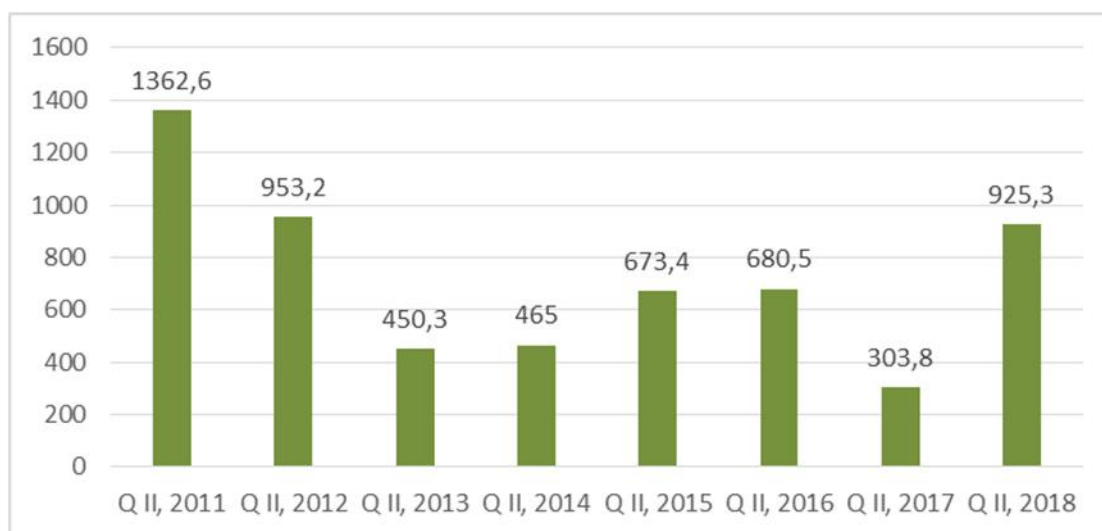


Figure 3.1.4. NPB deficit, mln. MDL

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

The amendment in the fund balance amounted to -852.3 mln. MDL, caused by the decrease of the fund balances by the end of the period by -7607.2 mln. MDL against the fund balances at the beginning of the period which amounted to 6776.9 mln. MDL, thus, reducing by 363.6 mln. MDL compared to the same period of 2017. The balance correction was -22.0 mln. MDL or >200%.

On June 30, 2018 the public debt balance has diminished by 1113.6 mln. MDL or by 1.9% compared to the end of 2017, amounting to 57337.9 mln. MDL. The weight of public debt in GDP on June 30, 2018 accounted for 35.2%, down by 3.7 p.p. compared to the end of 2017 and by 3.5 p.p. in relation to the same period of 2017.

By the end of the first half of 2018, there was a decrease of values in all components of the public debt compared to the end of 2017, being mainly influenced by the decline of the public debt balance by 733.3 mln. MDL, by NBM debt balance by 302.0 mln. MDL, by direct debt balance of ATU by 48.9 mln. MDL, as well as by debt balance of public sector enterprises by 29.4 mln. MDL.

The value of the external public debt, in the first half of 2018, was 1952.4 mln. USD (or 32 883.6 mln. MDL) or 57.4% of the public debt balance. During the same period, the internal public debt amounted to 24454.3 mln. MDL (or 42.6%), thus, the public debt diminished by 3.8% under the influence of the decrease in the external public debt.

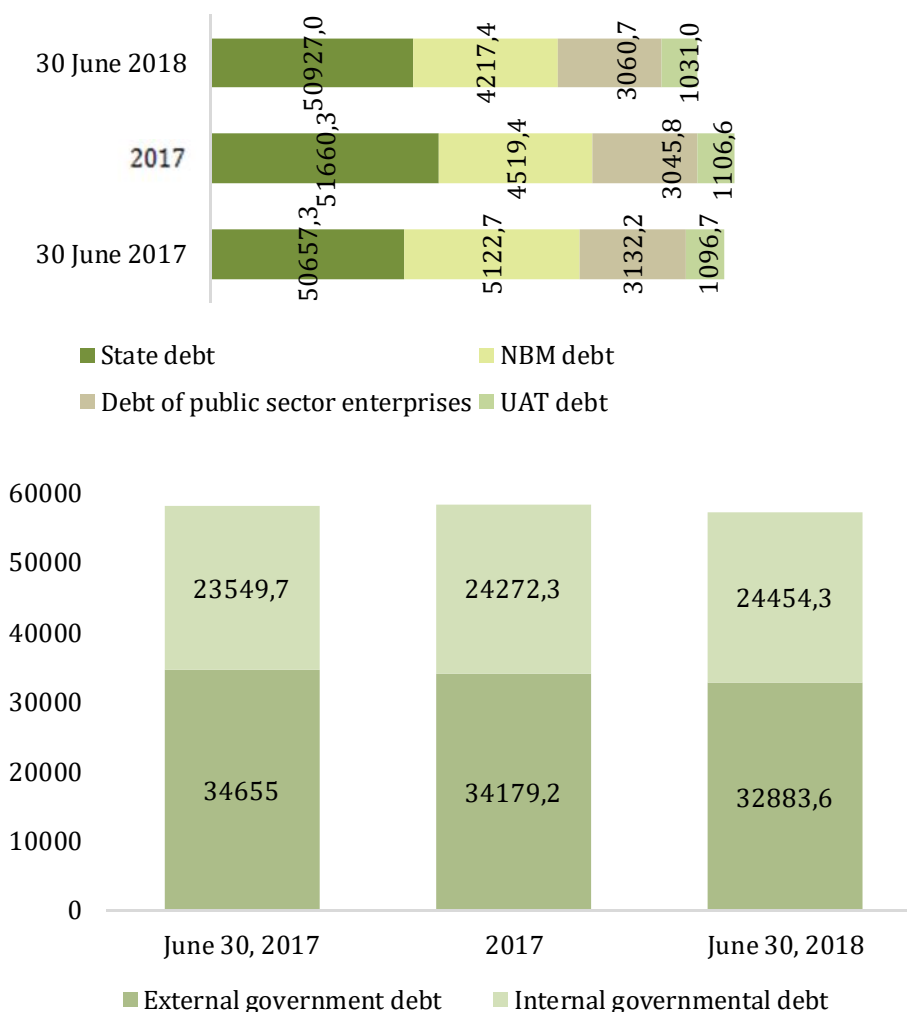


Figure 3.1.5. Structure of public sector debt during 2017-2018, mln. MDL
 Source: According to the data of the Ministry of Finance.

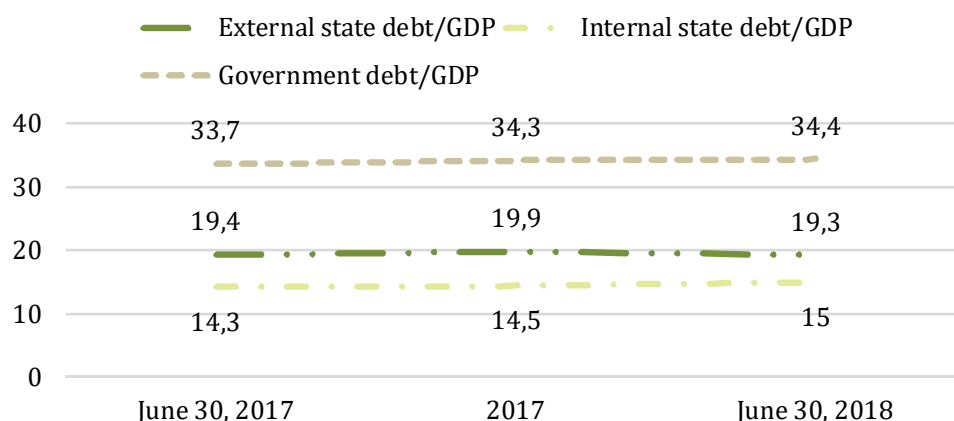


Figure 3.1.6. Relation of public debt types against GDP
 Source: According to the data of the National Bank of Moldova.

In the first half of 2018, the public debt balance numbered 50927.0 mln. MDL, decreasing by 733.3 mln. MDL (or 1.4% compared to the end of 2017), under the influence of the decrease in the external public debt balance by 953.1 mln. MDL, and the increase in the internal public debt by

219.8 mln. MDL. The weight of the public debt in GDP accounted for 31.2%, recording a decrement of 3.1 p.p. in relation to the end of 2017.

The major weight in public debt structure in the first half of 2018 belongs to the external public loans (49.8%), down by 1.0 p.p. compared to the end of 2017 and by 1.9 p.p. against the same period of 2017. The weight of SS issued for the execution of the payment obligations derived from state guarantees is 26.1%, the weight of SS issued on the primary market – 14.6%, SDR allocation – 5.5% and convertible SS (in NBM portfolio) – 4.1%.

The structure of SDR currency basket met some changes compared to the first half of 2017, thus the major weight in the public debt structure in the first half of 2018 is held by the Moldovan leu – 44.8% (42.5% – 2017), Euro – 26.2% (15.7% – 2017), US dollar – 18.7% (5.9% – 2017), Japanese yen – 4.4% (2.1% – 2017), Chinese Yuan Renminbi – 3.4% and sterling – 2.5% (0.02% – 2017).

In the first half of 2018, the structure by types of interest rate consists of debt with floating interest rate – 16.6% of public debt portfolio or an increase of 2.1 p.p. compared to the end of 2017 and 1.5 p.p. – first half of 2017, as well as the public debt with fixed interest rate which accounted for 83.4% of the public debt portfolio.

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

According to the data of the Ministry of Finance on budget execution for the first half of 2018, the region's budget received funds amounting to 947.9 mln. RUP, which represents an increase of 134.5 mln. RUP or 16.5% in relation to the first half of 2017. The highest weight in budget revenues belongs to tax revenues – 60% of total revenues or 568.2 mln. RUP, which is by 110.6 mil. RUP or 24.1% more in comparison with the first half of 2017. The value of the region's consolidated budget revenue amounted to 1401.7 mil. RUP, in the first half of 2018.

In the tax revenue structure of the region's budget, the highest weight belongs to the following types of taxes:

- tax revenues of organisations – 234.5 mln. RUP, which represents by 30.3 mln. RUP (or by 14.8%) more than in the first half of 2017;
- customs duties – 180.7 mln. RUP, which is by 58.1 mln. RUP (or by 47.4%) more than in the first half of 2017;
- excise duties – 145.1 mln. RUP, which is by 86.9 mln. RUP or by 2.5 times) more than in the first half of 2017;
- income tax of individuals – 14.4 mln. RUP, which represents an increase of 1.4 mln. RUP (or 11.1%) compared to the first half of 2017.

The local budget revenues amounted to 453.8 mln. RUP, which presents an increase of 88.1 mln. RUP (or 24.1%) than in the first half of 2017.

The consolidated budget expenditures in the region amounted to 2408.1 mln. RUP in the first half of 2018, including 1688.6 mln. RUP – the so-called republican budget and 719.5 mln. RUP – local budgets.

The deficit balance of the region's consolidated budget accounted for -1006.4 mln. RUP in the first half of 2018.

3.2. Banking sector

During the first half of 2018, the Moldovan banking sector experienced positive developments in the main indicators characterizing the general activity of banks and the prudential one. After a longer period of time, in which the first three banks in the system, BC „Moldova-Agroindbank” S.A., BC „Moldindconbank” S.A. and B.C. „Victoriabank” S.A., holding 65.5% of banking sector's

assets were under intensive supervision due to their risk exposure and a non-transparent shareholder structure, the intensification of the activity ensuring transparency to the banks' shareholders resulted in success. In August 2018, the National Bank lifted the intensive supervision regime for BC „VICTORIABANK” S.A. During this period, the bank succeeded not only to diminish the balance of non-performing loans but also to comply with transparency requirements of shareholder structure, since January 16, 2018 Banca Transilvania became its majority investor.

In this regard, the question of investor identification, which should purchase the equity stake of 63.9% of BC „Moldindconbank” S.A and 43.1% of BC „MOLDOVA-AGROINDBANK” S.A, shares of a group activating together and put up for sale as a single equity stake on MSE, still remains unresolved.

In the first half of 2018, the bank assets have recorded volatile fluctuations, both in volume and in quality. At the beginning of 2018, the growth rate of bank assets was on an upward trend, whereupon in the second quarter, the volume of asset growth let down, recording a decrease of 612.4 mln. MDL or 0.8% compared to the end of the first quarter, amounting to 80365.1 mil MDL by the end of June, 2018. Compared to the same period of the previous year, the bank assets have significantly increased by 5339.36 mln. MDL or 7.1%.

The risk-weighted assets have slightly increased in the volume compared to the end of the first quarter, 2018 from 33 313.0 mln. MDL to 33979.6 mln. MDL by the end of June, 2018. Compared to the same period of the last year, the volume of risk-weighted assets diminished by 0.5%. Against the increase of total assets, in comparison with the previous year, the weight of risk assets in total assets decreased, reaching the value of 42.3%, being by 3.3 p.p. lower than by the end of quarter II, 2018.

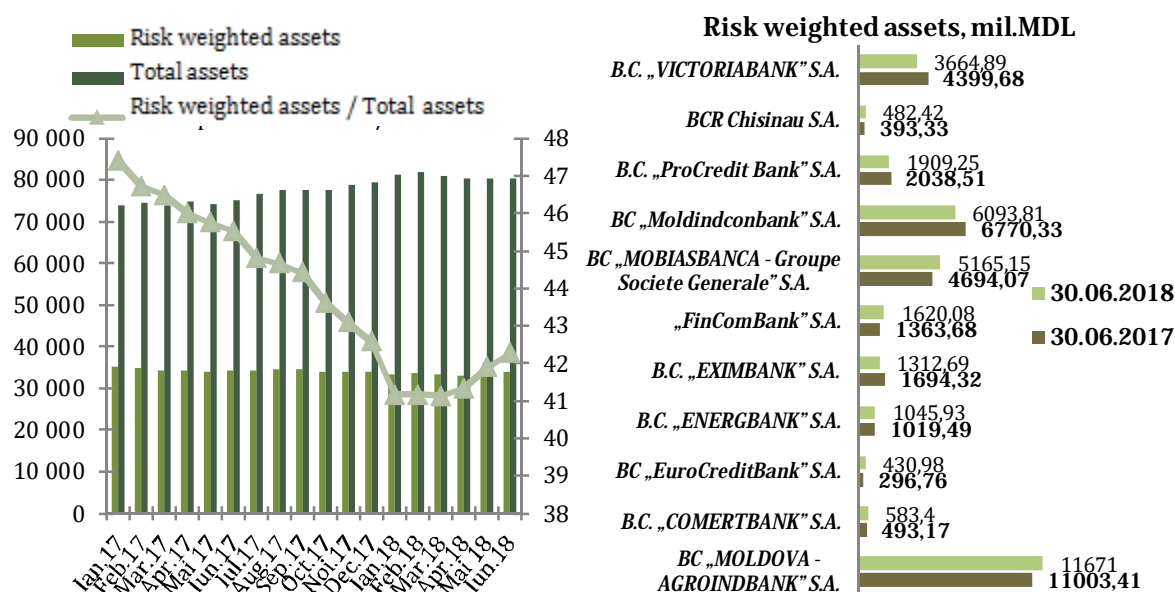


Figure 3.2.1. Development of quality of bank assets

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

In bank section, there is seen that by the end of quarter II, 2018 four banks B.C. „Victoriabank” S.A, B.C. „EXIMBANK” S.A., B.C. „Moldindconbank” S.A. and B.C. „ProCredit Bank” S.A. improved the quality of their asset against the similar period of the last year, especially B.C. „Victoriabank” S.A bank, the value of its risk asset reduced by 734 mln. MDL and B.C. „Moldindconbank” S.A. bank, with a reduction of 676 mln.MDL, and the other 7 banks rose the value of risk-weighted assets. Two banks may be mentioned leaders in this respect: BC „MOLDOVA-AGROINDBANK” S.A. with

667.6 mln.MDL and BC „MOBIASBANCA-Groupe Societe Generale” S.A. with 471.8 mln. MDL. The reduction of risk-weighted assets of the 4 banks was so considerable, that offset the increase in the risk of assets for the other 8 banks, so that, as a whole, the volume of risk asset declined.

The quality of bank assets was also supported by the volume of equity capital in such a way that the capital adequacy makes rings round the minimum imposed by the prudential requirements of 16% and reaches to 33.9%. The slope of the chart representing the level of capital adequacy for the quarter II of 2018 was the same as in the similar period of the previous year, but it started to rise from a higher level. The sharp decrease of this indicator recorded in May 2018 was the result of the increase in risk-weighted assets at a faster rate than the growth of Total Regulatory Capital. (Figure 3.2.2 in comparison with Figure 3.2.1).

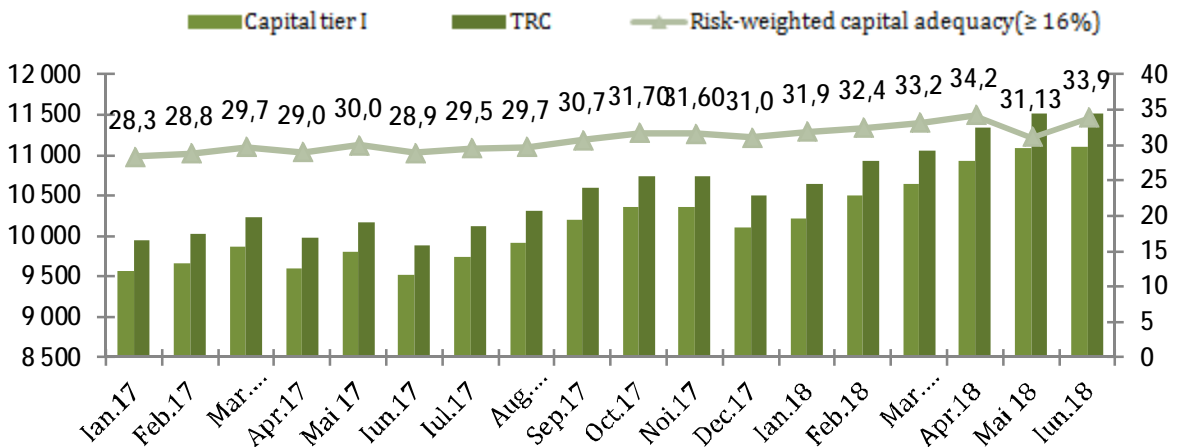


Figure 3.2.2. Development of quality of bank capital

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

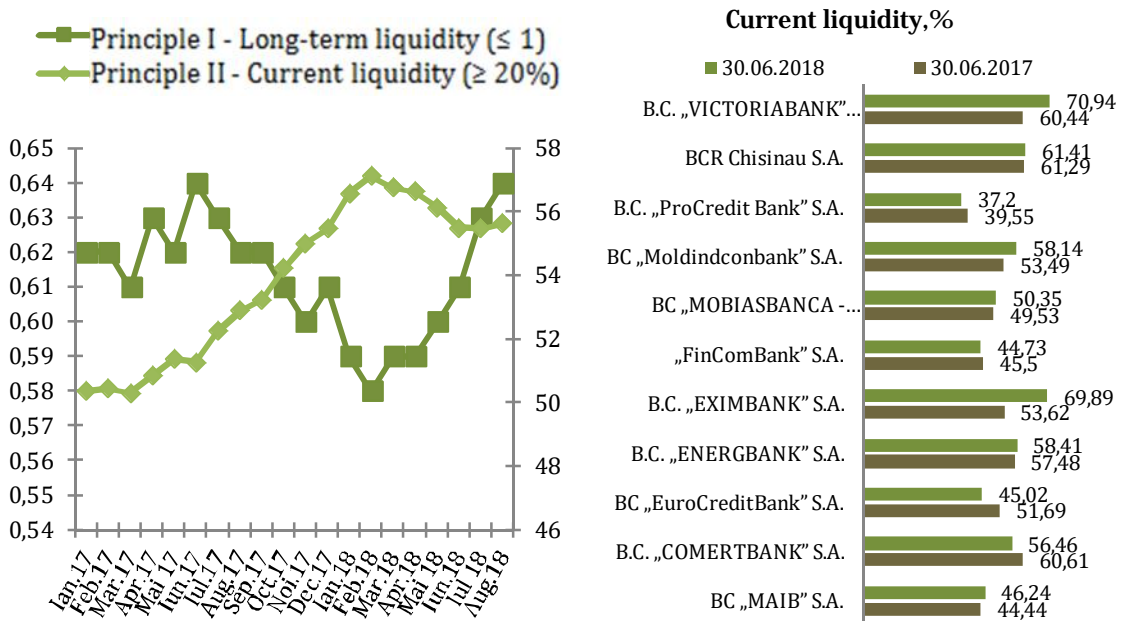


Figure 3.2.3. Level of liquidity of the banking sector on June 30, 2018

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

The rise of the asset value was regrettably due more to liquidity increase than loans. On June 30, 2018 the gross loan portfolio amounted to 41.2% of total assets or 33146.1 mln. lei decreasing by 3.1 percent (1070 mln. Lei) compared to the same period of the previous year. 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.

In quarter II of 2018, the liquidity indicators of the banking sector fall within the prudential limits set by the NBM, the weight of liquid assets in total assets (liquidity principle II) registers 55.5%, by 4.2 p.p. more against June 30, 2017 being by about 3 times more than the minimum limit set by the NBM. The value of the long-term liquidity indicator (liquidity principle I (≤ 1)) of the entire banking system amounted to 0.61, as of June 30, 2018, less by 0.03 p.p. compared to June 30, 2017. We state an excessive increase of bank liquidities as well as a migration of a part of loan assets to low-risk liquid assets and an adequate return such as the state securities.

Most banks register an excess liquidity, the actual liquidity indicator being permanently increasing. B.C. „Victoriabank” S.A. with 70.94%, B.C. „Eximbanc” S.A. with 69.89%, B.C. „BCR Chişinău” S.A. with 61.41% and B.C. „Energbank” S.A. with 58.41% are leaders in this respect.

The slowdown in the volume of loans which began by the end of 2014 continued also in the first half of 2018. The gross loan portfolio granted by the commercial banks recorded a negative development in the first quarter of 2018 and maintained the same path in quarter II of 2018, too, decreasing by 3.13% which is about 1070 mln. MDL compared to the same period of the previous year.

The volume of new loans, recording increases in the first quarter of 2018, continued its trend against the decrease of the interest rate on loans, the increment being of 12.2%.

At the same time, there is observed the maintaining of the migration of loans from legal entities to individuals (74.06% in quarter II, 2018 compared to 79.42% in quarter II, 2017) and from foreign to national currency (61.8% in quarter II, 2018 as against 58.4% during the same period of the last year). Thus, against the reduction in total volume of loans, those provided to individuals increased by 1558 mln. MDL and those provided to legal entities decreased by 2627 mln. MDL during the same period of the last year. The decreasing trend in loans provided to legal entities reflects the slowdown process of the economic activity, high level of uncertainty and continuous amendment in the pattern of national economy development from production to consumption.

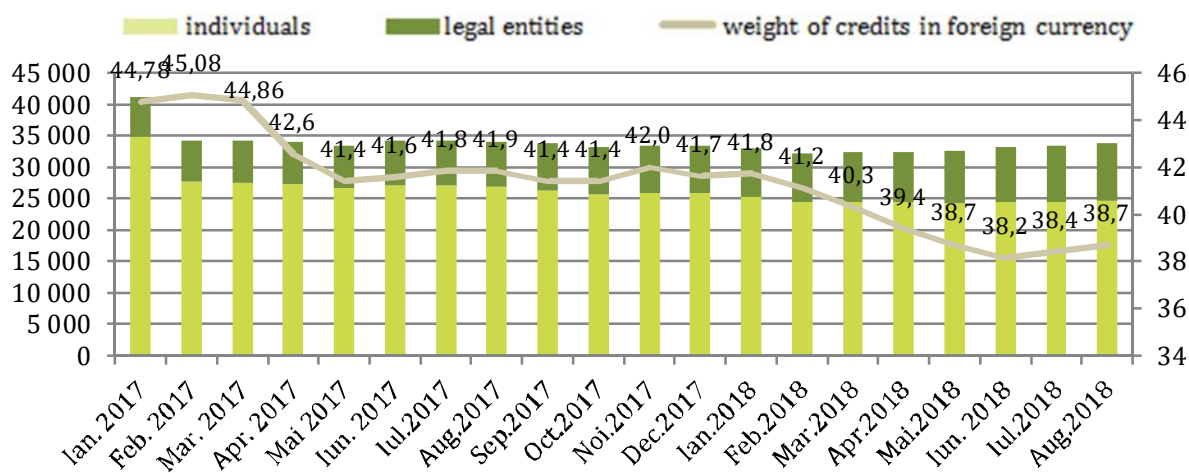


Figure 3.2.4. Dynamics of loans by currency and debt category

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

The decrease in the pace of lending was also associated with the decline of the level of portfolio risk. Therefore, in quarter II of 2018, the value of non-performing loans amounted to 4882.6 mln. MDL, down by 1151.67 mln. MDL or 19% as against June 30, 2017. The decrease in the volume of non-performing loans was mainly due to the result of cleaning the bank balances along with the change of the majority stockholder at one of the banks under intensive supervision (B.C. „Eximbank” S.A.) especially from the profit account of this year.

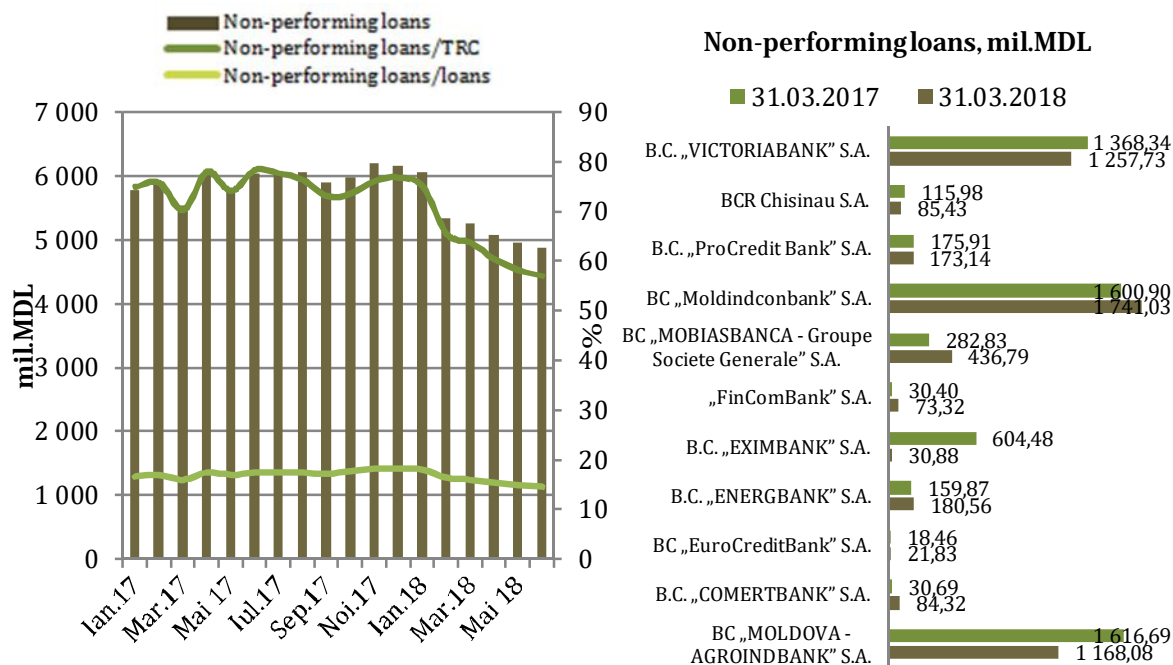


Figure 3.2.5. Dynamics of non-performing loans in the banking sector

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

By the end of quarter II of 2018, the weight of non-performing loans in total loans has decreased by 2.91 p.p. against the same period of 2017, accounting for 14.73%. The weight of non-performing loans in total TRC reached 42.3%, declining by -18.3% as against June 30, 2017 but with a reduction of 9.3% compared to the end of the first quarter, 2018.

Interest rates are immune to the monetary policy decisions. This claim is supported by the trend in interest rates on new loans and deposits, which decreases continuously, reaching to be even lower than the refinancing rate, which is considered a prime rate one for the formation of loan interest rates). During June 2017 – June 2018, the average interest rates of the commercial banks for loans and deposits decreased by 1.31 p.p. and 1.09 p.p., respectively being at the level of 8.72% for new attracted loans and 4.58% for new attracted deposits. The sharp decline in interest rate on deposits still points a downward trend, which will discourage the population to put aside.

In quarter II of 2018, the balance of bank deposits amounted to 60930.87 mln. MDL, up by 8.4% compared to the same period of the previous year. Against the increase in the value of deposits, the deposit rate of individuals decreases, reaching 65.55%, down by 2.32% compared to quarter II of 2017. This decline is caused by the decrement of income for household savings and low confidence of individuals in the banking system after the bank fraud.

In quarter II of 2018, there is maintained the decreasing trend in the balance of deposits in foreign currency in total deposits, which though rose by 164.34 mln. MDL as a volume, but decreased by 3.08% as a weight. The decline in the weight of deposits in foreign currency along with the fast increase in the balance of deposits in MDL is the result of the significant tightening of the national currency in the foreign exchange market.

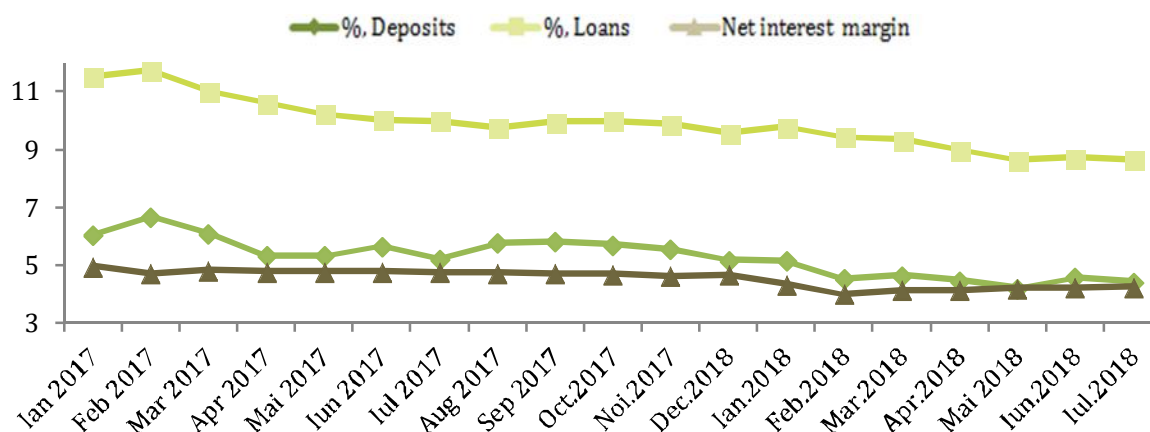


Figure 3.2.6. Development of net banking margin, average interest rates on new deposits and loans in MDL, %

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

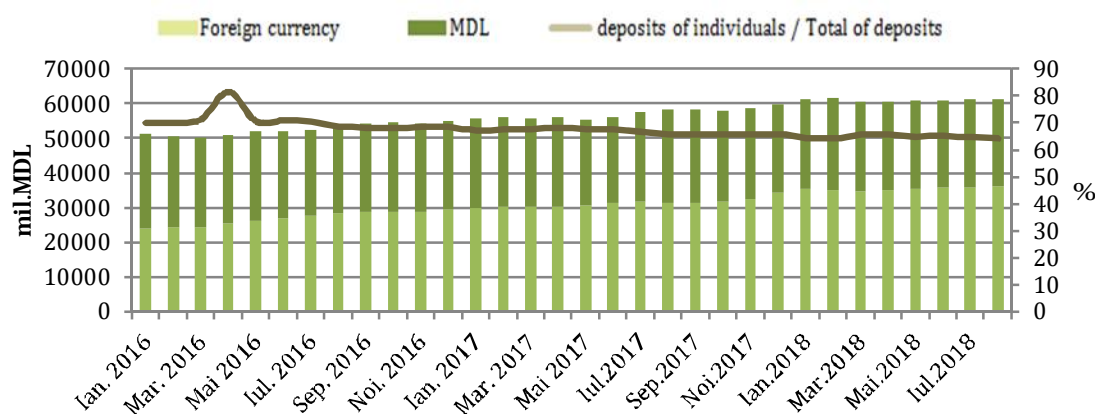


Figure 3.2.7. Development in the balance of deposits in banks, mln. MDL

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

In the first half of 2018, there is attested an increasing dynamics of the banks’ profit in the entire banking system but which is lower compared to that recorded in the same period of the previous year. By the end of June, 2018 the banks’ profit in the entire system amounted to 937 mln. MDL, up by 414 mln. MDL or 79% compared to the end of the previous quarter and down by 19.73 or 2.1% in comparison with the same period of the last year. The decrease in the profit was due to the decline in the loan interest rates and the volume of loans which led to the decrement of interest revenues by 11.7% or 285.7 mln. MDL. The weight of non-interest revenues in total revenues of banks remains to be significant, which shows the lack of interest of banks to take part in financing the economy.

By the end of quarter II, 2018 the return on assets and return on equity accounted for 2.19% and 13.4%, respectively, declining by 10.2 p.p. and 8.4p.p., respectively compared to the same period of the previous year.

The highest contribution to the net profit formation of the banking system, in the first half of 2018, belongs to BC „Moldindconbank” S.A., which compared with the results recorded in the same period of the previous year increased its profit by 46.9 mln. MDL or 18.9%. Profit increases have also been achieved by B.C. „ProCredit Bank” S.A. – with 20.2 mln. MDL or 298%, BC „MOLDOVA-AGROINDBANK” S.A. with 13.3 mln. MDL or 4.2%. In the first half of 2018, a negative impact on the net profit of the banking system had the activity of B.C. „EXIMBANK” S.A. which had a net loss

of - 47.8 mln. MDL. We consider that during the financial year, the banks' profit will be adjusted with all seasonal rises and reductions and the banks will cover their non-profits by the end of the year.

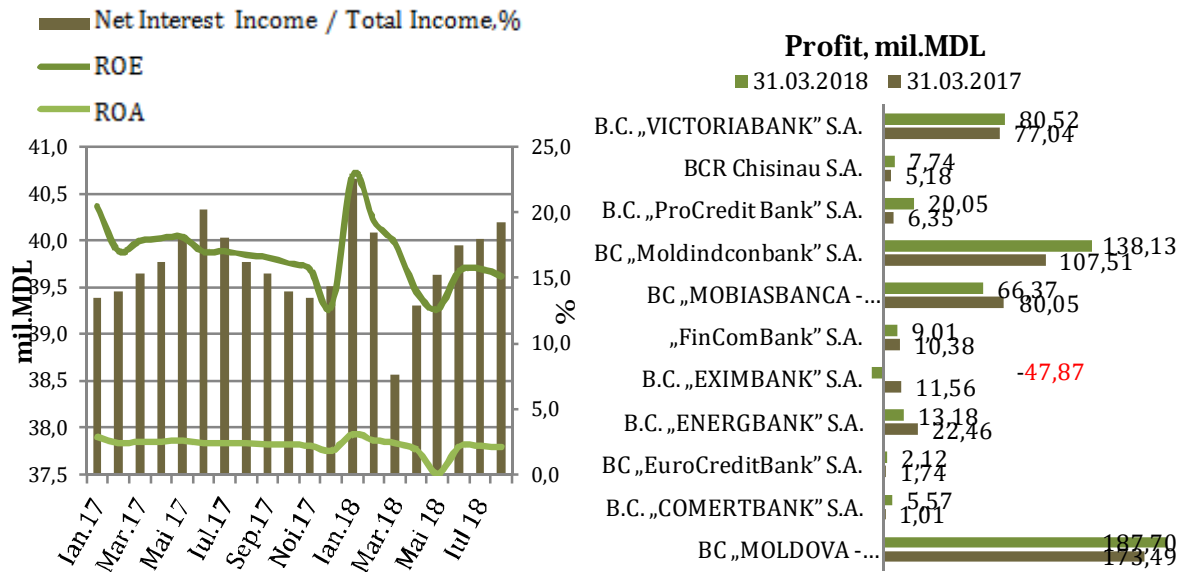


Figure 3.2.8. Development of banking return and profitability in 2017-2018

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

Chapter IV EXTERNAL SECTOR

Balance of payments

Current account balance of the balance of payments in the first half of 2018, recorded a deficit of 481.73 mln. US dollars (of which in quarter II, 2018 amounted to 282.10 mln. USD), which increased by 56.5% against that from January-June 2017. As a share of GDP, the current account deficit accounted for 9.8% (against 7.9% in the first half of 2017). In quarter II, 2018 the current account balance of the balance of payments recorded a deficit of 282.10 mln. USD (declining by 50.6% compared to the same period of the previous year).

The balance of services, in quarter II of 2018, amounted to 86.02 mln. USD, rising by 29.4% compared to quarter II, 2017, this increase took place due to the rise in the value of services provided to non-residents (+22.9%), than services received from non-residents (+21.1%). The highest weight in the **exports of services**, belongs to **transport services** 29.5% (107.92 mln. USD), whose export grew by 7.9% compared to the similar period of the last year. The highest weight in the **exports of transport services** is held by **transport of commodities** 53.1%, **transport of passengers** 31.5% and **other transport services** 15.4%. **The export of travel services** totaled 94.75 mln. USD, increasing by 28.2%, **services of raw material processing** of third party – 60.13 mln. USD, up by 51%, **telecommunication, informatics and information services** amounted to 57.38 mln. USD and rose by 32.3%, **other business services** totaled 30.61 mln. USD, growing by 12.2%, **goods and services of public administration** constituted 8.54 mln. USD, by 7.4% more.

In quarter II of 2018, in **imports of services**, the highest weight belongs to **transport services** 34.1%, their weight being 95.32 mln. USD, up by 16.4% compared with quarter II of 2017. **Transport of commodities** holds a weight of 58.1%, **transport of passengers** 23.2%, and **other transport services** 18.7%. **Import of travel services** amounted to 95.15 mln. USD, rising by 24.4%, other **business services** numbered 41.05 mln. USD, by 46.3% more, **telecommunication, informatics and information services** 21.66 mln. USD, by 1.5% less, **goods and services of public administration** 7.24 mln. USD, up by 13.5%, intellectual property taxes 6.71 mln. USD, increasing by 48.8%.

Capital account, in quarter II of 2018 recorded a negative balance to the tune of 10.84 mln. USD. The public administration received grants from the outside for the investment projects in the amount of 3.45 mln. USD, by 6.8% more in relation to the similar period of the previous year, while other sectors recorded net outflows worth 14.29 mln. USD. The value of the current and capital account balance during the reference period represents a net financing requirement of 292.94 mln. USD.

Financial account recorded net capital inflows of 252.39 mln. USD, as a result of the net decrease of the external financial assets of 209.14 mln. USD and net accumulation of liabilities worth 43.25 mln. USD.

International investment position

On June 30, 2018 the total stock of liabilities as direct investment amounted to 3915.27 mln. US dollars, increasing by 4.9%, compared to December 31, 2017. The increase of the stock resulted from net inflows of direct investment worth 128.47 mln. US dollars, development of the exchange rate of the original currencies against the US dollar by 41.97 mln. USD, rise of stocks prices by 12.22 mln. USD and other amendments of 0.82 mln. USD. The weight of stocks and shares in investment funds in total stock of liabilities as direct investment is slightly higher compared to the debt instrument one (52.4%, against 47.6%). The composition of debt instruments is mixed:

1140.51 mln. USD is the stock of loans contracted from foreign direct investors, 156.63 mln. USD are commitments in the form of commercial loans in relation to foreign direct investors and 567.18 mln. USD is the stock of other debts towards foreign direct investors.

During quarter II of 2018, the main economic activity which benefited by FDI are manufacturing industry 25.2%, followed by financial and insurance activities 24.4%, wholesale and retail trade 16.5%, other activities which attracted foreign investors were energy industry, information and communications, transport and storage, real estate transactions.

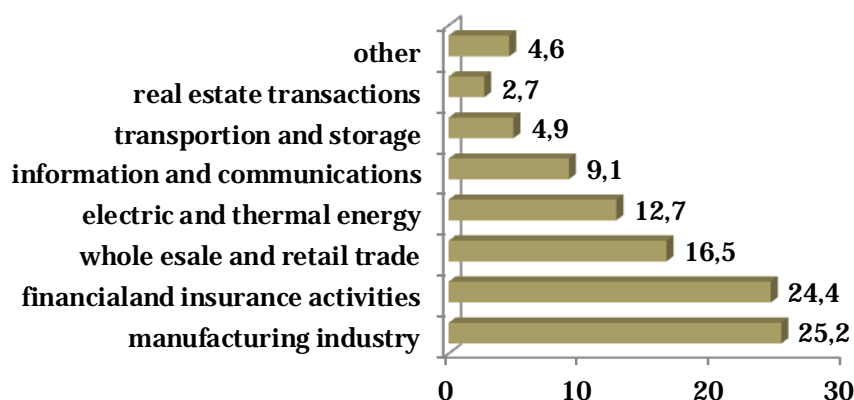


Figure 4.1. Direct investment, liabilities, equity capital accumulated on June 30, 2018, by economic activities, %

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

In the geographical distribution of direct investment as accumulated stocks and shares, the investors from EU countries held the weight of 82.7%. The investors from CIS countries had a weight of 7.3% of the total accumulated capital and those from other countries held a weight of 10%.

Remittances from abroad

The total volume of remittances from abroad in favour of Moldovan individuals, in the first half of 2018, was up by 16.1% compared to the same period of the last year. The total volume of remittances amounted to 640 mln. USD. In quarter II of 2018, 342.59 million USD have been transferred in favour of individuals from abroad, which is by 14.2% more compared with the same period of 2017.

According to geographical origin, the remittances from EU recorded a weight of 39.9%, those from CIS held 29.2%, respectively, the remittances from other countries accounted for 30.9%. Of total remittances **from CIS,** the remittances from Russia hold the major weight of 96.5%. The remittances from other CIS countries have the following weights: Ukraine – 1.4%, Kazakhstan – 0.7%, Belarus – 0.4%, Uzbekistan – 0.4%, Azerbaijan – 0.3% and the rest of CIS countries – 0.3%. In the remittances from **EU,** the remittances from Italy have the highest weight 31.5%, followed by Germany (16%), The United Kingdom of Great Britain and Northern Ireland (14.7%), France (9.2%), Spain (3.4%), Ireland (3.1%), Czech Republic (3%), Portugal (2.7%), Romania (2.5%), Belgium (2.3%) Poland (2.1%), Cyprus (1.4%) and Greece (1.2%).

Russia occupies the leading position in the top ten countries with the most money transfers, the remittances from this country amounting to 96.60 million USD, which is 28.2%. Israel takes second position with a weight of 17.7% (60.60 mln. USD), Italy third with 12.6% (43.03 mln. USD), USA – 8.1% with 27.87 mln. USD, Germany – 6.4% (21.82 mln. USD), The United Kingdom of Great Britain and Northern Ireland – 5.9% (20.13 mln. USD), France – 3.7% (12.52 mln. USD), Spain – 1.4% (4.63 mln. USD), Czech Republic – 1.2% (4.10 mln. USD), Portugal – 1.1% (3.64 mln. USD).

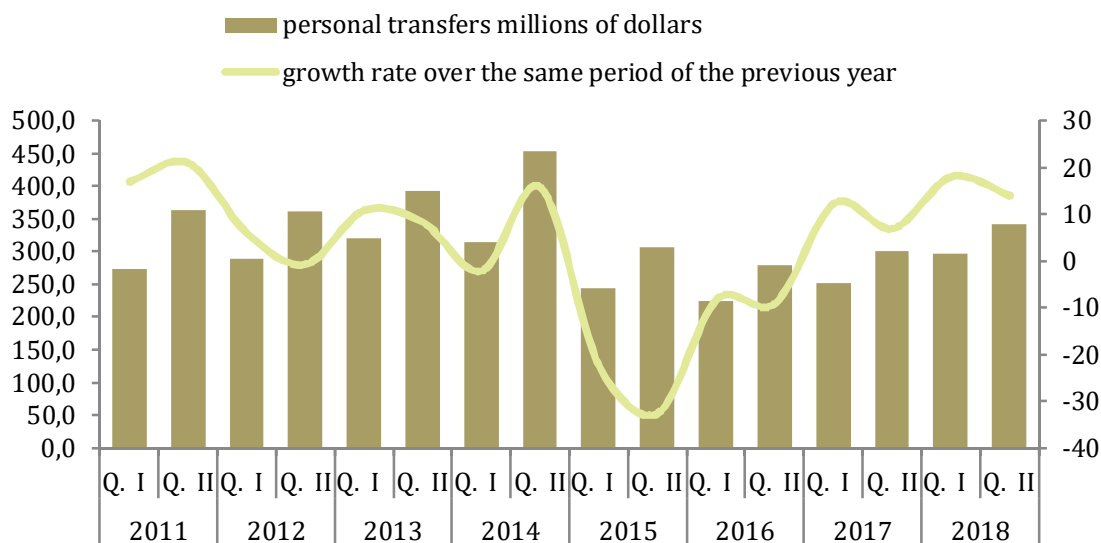


Figure 4.2. Remittances from abroad made in favour of individuals through Moldovan banks quarterly in 2011-2018, mln. USD

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

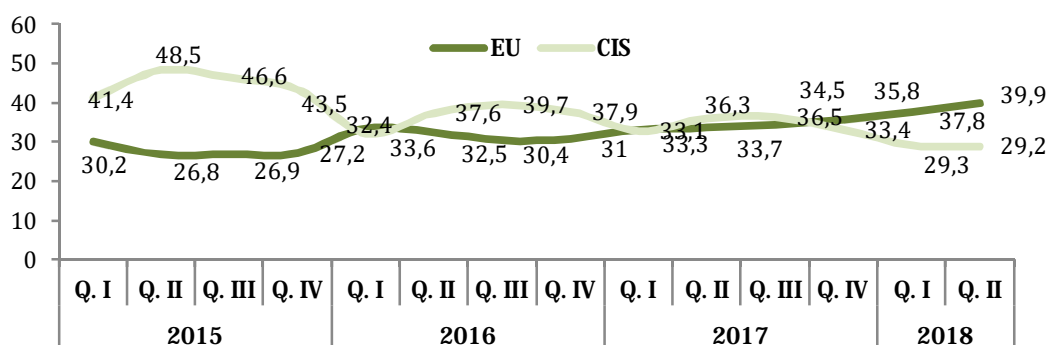


Figure 4.3. Dynamics of quarterly remittances from CIS and EU in favour of individuals during 2015 – 2018, %

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

External trade in goods

During January-June, 2018, the external trade in goods increased by 26.2%, compared with the similar period of the previous year. Thus, the external trade in goods amounted to 4050.4 mln. USD.

During January-June 2018, the considerable gap in the development of exports and imports determined the accumulation of a **balance of trade deficit** amounting to 1420 mln. USD, by 266.8 mln. USD (+23.1%) more compared to that recorded in the respective period of 2017. The balance of trade **with EU countries** ended in a deficit of 495.7 mln. USD, by 75 mln. USD (+17.8%) higher than that recorded in January-June, 2017. And **with CIS countries** – 429.1 mln. USD, by 103.3 mln. USD (+31.7%) higher in comparison with that recorded in January-June, 2017.

Degree of imports coverage by exports in January-June 2018 was 48.1%, compared to 47.1% during the same period of 2017.

During January-June 2018, **the exports of goods** totaled 1315.2 mln. USD, a volume by 27.9% higher compared to that recorded in the same period of 2017. **The exports of domestic goods** amounted to 877.1 mln. US dollars (66.7% of total exports), increasing by 35.1% compared to

Table 4.1. Dynamics of trade exchanges in the first half of 2016-2017, mln. USD

	First half of 2017	First half of 2018	Dynamics 2017/2016
	mln. USD	mln. USD	%
External trade in goods	3209.6	4050.4	26.2
Export	1028.2	1315.2	27.9
<i>Including: EU countries</i>	652.2	900.7	38.1
<i>CIS countries</i>	216.9	208.3	-4
<i>Other countries</i>	159.1	206.2	29.6
Import	2181.4	2735.2	25.4
<i>Including: EU countries</i>	1072.9	1396.4	30.2
<i>CIS countries</i>	542.8	637.4	17.4
<i>Other countries</i>	565.4	701.4	24.1
Balance of trade	-1153.2	-1420	23.1
Degree of imports coverage by exports	47.1%,	48.1%	-

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

January-June 2017, which contributed 22.2% to the increase in total exports. *The re-exports of foreign goods* registered an increase of 15.6% compared to January-June 2017. The re-exports of foreign goods amounted to 438.1 mln. USD (33.3% of total exports). The re-exports of goods after processing (clothing, yarns, wires and transformers, footwear and parts of footwear, peeled walnuts, chairs and other furniture, bags, suit cases) held 24.5% in total exports and the re-exports of products in original form, which did not experience essential transformations (drugs, cigars, brandies, liquors and other spirits, textiles, knitted or crocheted fabrics, essential oils, toilet preparations, cosmetics, transport or packaging articles of plastics, fuels, vehicles) – 8.8%.

In EU, during January-June 2018, the exports of goods accounted for 900.7 mln. USD, which is by 38.1% more as against January-June 2017. The exports of goods in EU held a weight of 68.5% in total exports (63.4% - in January-June 2017).

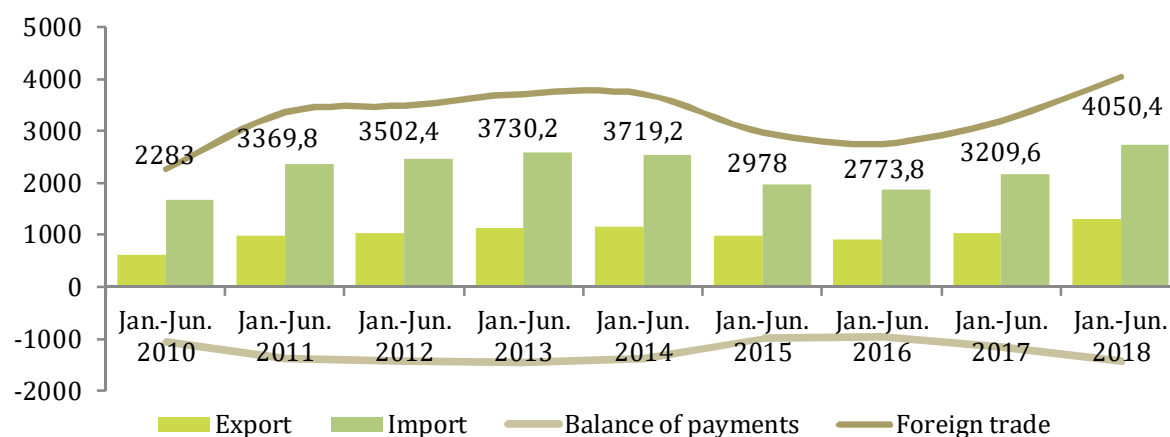


Figure 4.4. Trends of external trade in goods in January-June 2010-2017, mln. lei

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

The exports in *CIS countries* had a weight of 15.8% (21.1% - in January-June 2017), that corresponds to a value of 208.3 mln. US dollars. The exports of goods to these countries declined by 4%, compared to January-June 2017.

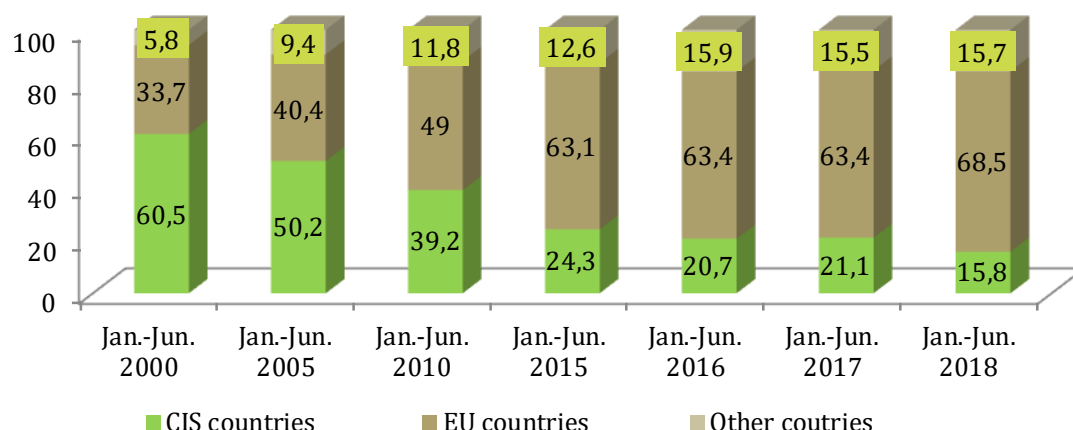


Figure 4.5. Structure of export by groups of countries during January-June, %
 Source: According to the data of the National Bureau of Statistics.

In January-June 2018, the analysis of export development by countries, compared with the similar period of 2017, registers an increase of exports to Romania of 38.2%, Italy by 1.6 times, Germany by 1.6 times, Switzerland by 2.4 times, Poland 37.2%, Serbia by 4 times, France by 1.6 times, Portugal by 190.3 times, Ukraine 29.6%, The Netherlands by 1.7 times, Slovakia by 2.8 times, Spain by 1.7 times, Austria 46.7%, The United Arab Emirates by 4.7 times, Greece 51.7%, Czech Republic 37.9%, Lebanon by 1.7 times, USA 33.3%, Georgia 31.6%, China 34.9%, Belgium 27.5%, Cyprus 45.4%, Indonesia by 2.3 times, Myanmar by 3.9 times, Kazakhstan 17.1%, Lithuania 27.0%, Latvia 49.4%, Saudi Arabia 47.0%, Malaysia 38.5%, which favoured the increase in total exports by 32.1%.

At the same time, there were registered *decreases in the deliveries* to The United Kingdom of Great Britain and Northern Ireland by 29.3%, the Russian Federation 7.8%, Belarus 14.3%, Bulgaria 18.2%, Iraq 24.1%, Syria 49.3%, Uzbekistan 44.7%, Macedonia 49.7%.

In January-June 2018, compared with the similar period of 2017, there were recorded increases in exports of machinery and electrical appliances by 1.6 times; fruits and vegetables 44.9%; cereals and cereal preparations 54.4%; clothing and accessories 24.3%; vegetable fats and oils by 1.9 times; furniture 31.6%; alcoholic and non-alcoholic beverages 21%; oil seeds and oleaginous fruits 15.5%; non-metallic mineral products by 1.7 times; medicinal and pharmaceutical products 24.9%; animal feed by 1.7 times; livestock by 2.6 times; fuel and fuel products by 1.6 times; raw and processed tobacco by 1.6 times; wood products by 1.8 times; travel items; bags and similar 54.9%; footwear 18.1%; specialized machinery and appliances by 1.7 times; professional tools and equipment 14.1%; tanning and coloring products by 4.3 times; organic chemicals 9.4%; which contributed to the increase of total exports by 31.2%. At the same time, there were recorded decreases in the exports of sugar, sugar preparations; honey by 38.3%; road vehicles 36.3%; yarns, fabrics, textile items and related products 11.8%; general industrial machinery and appliances 31.4%; essential oils, cosmetics 25.1%; meat and meat preparations 34.7%; dairy products and eggs 10.9%.

Imports of goods, during January-June 2018, amounted to 2735.2 mln. USD, increasing by 25.4% compared with the similar period of the last year.

The imports of goods from EU countries accounted for 1396.4 mln. US dollars, by 30.2% more compared to January-June 2017, holding a weight of 51.1% in total imports (49.2% - in January-June 2017). At the same time, the imports of goods from *CIS countries* rose by 17.4% in comparison with the similar period of the previous year. The imports from CIS countries amounted to 637.4 mln. US dollars, equating to a share of 23.3% in total imports (24.9% - in January-June 2017).

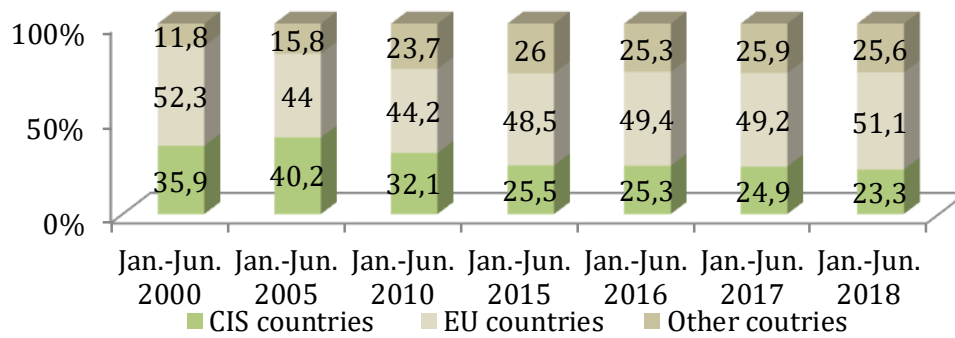


Figure 4.6. Structure of import by groups of countries during January-June, %
Source: According to the data of the National Bureau of Statistics.

The analysis of imports development by countries in January-June 2018, compared with the similar period of 2017, recorded increases in imports from Romania by 28.9%; China 30.1%; Germany 36.1%; Russia 23.7%; Italy 25.9%; Ukraine 13.9%; Poland 37.7%; Austria by 1.6 times; France 29.4%; Hungary 36.1%; Turkey 10.3%; Japan by 1.8 times; Czech Republic 36.7%; Spain 36%; the Netherlands 36%; South Korea by 1.6 times; Belgium 33.2%; Serbia by 1.8 times; Slovakia 37.5%; Turkmenistan by 804.8 times; Sweden 39%; Israel by 1.7 times; Brazil by 2.2 times; Vietnam 20.2%; Slovenia 26.1%; Portugal 38.3%; Latvia by 1.6 times; The United Arab Emirates by 3.5 times; Thailand 49.1%; Mexico by 1.9 times; which favoured the increase in total imports by 24.6%. At the same times, there were recorded declines in the deliveries from Belarus 6.4%; Macedonia 48%; USA 4.9%.

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

During January-June 2018, Transnistrian region recorded an increase in the external trade. The external trade transactions in goods rose by 34% compared with the similar period of the last year. In January-June 2018, the external trade transactions in goods amounted to 938.7 mln. US dollars.

Export of goods, during January-June 2018, accounted for 348.2 mln. US dollars, increasing by 41.5 % compared to the similar period of the last year (in January-June 2017 the export of goods constituted 246 mln. USD). **The imports of goods** equated to 590.4 mln. USD, by 39.1 % more in relation to the similar period of the last year. **The balance of trade** totaled -242.3 mln. US dollars.

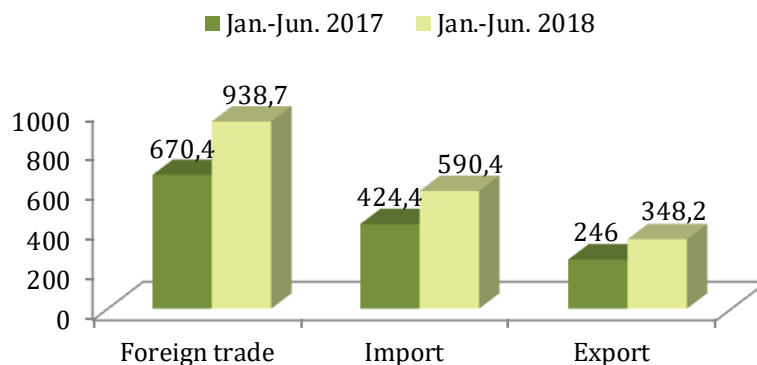


Figure 4.7. Dynamics of external trade in Transnistrian region during semester I, 2017- 2018, mln. US dollars

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

During January-June 2018, Transnistrian region made external trade transactions with 88 countries (in January-June 2017 with 78 countries) including 10 CIS countries. The turnover of the external trade for 13 countries, and namely, Azerbaijan, Armenia, Bosnia and Herzegovina, Guinea, Indonesia, Iraq, Iceland, Kenya, Kyrgyzstan, Malaysia, Palestine, Montenegro, South Africa the turnover of trade consisted only of the export.

The main trading partners of Transnistria remain Russia, Moldova, Ukraine, Germany and Italy. The increase is also observed in such countries as Poland, Romania and China. At the same time, Russia represents 40% of total turnover. The imports prevail in their trading relations. Also, the exports to Russia are at the level of 7% in total structure of external turnover sales.

Most goods are exported to Moldova (46%), followed by Romania (17%), Italy (8%), Ukraine (8%), Germany (6%), Russia (7%), Slovakia (2%) and Serbia (1%). About 37% of total goods are exported to EU, while only 7% are the exports to Eurasian Customs Union countries.

The opposite situation is observed in the imports of goods: from Eurasian Customs Union about 63% of total goods are imported and from EU only 18%.

In the first half of the year, according to the State Customs Committee, the exports of metals and metal products increased by 2.5 times. Also, the sales of mineral products, chemicals and electricity, as well as clothing and food products rose. At the same time, the export of cars, footwear and textile items decreased slightly. However, there is noticed an increase in imports for almost all types of goods.

Chapter V BUSINESS ENVIRONMENT

Main development indicators of enterprises in 2017

By the end of 2017, the NBS registered 54.3 thousand active enterprises, with a slight growth of 3.8% sply. The increase in the number of enterprises in 2017 was mainly due firstly to large, small and micro enterprises which recorded an increase in the number of enterprises of 6.6%, 4.8%, 3.6%, respectively, sply.

During 2016-2017, the total number of employees in all Moldovan enterprises, registered by the statistical bodies continued the growth trend from the previous period, rising by 3.1%, as a result of the positive developments recorded especially in large and small enterprises which increased by 3.2%, 4.5%, respectively.

In 2017, the SME sector grew up by 3.1% in the number of employees sply. In the SME sector, the middle, small and micro enterprises registered an increase in the average number of employees in 2017 sply.

During the analyzed period, the sales revenues of enterprises continue the growth trend from the previous years (2015-2016), including the SME sector recorded an increase in the turnover, during this period. In 2017, this indicator rose by 10.05% in total enterprises compared to the previous year. In 2017, the annual growth rate of sales revenues in SME sector accounted for 10% sply.

In 2017, the financial result until taxing increased considerably in the SME sector, rising by 79.8% sply. The increase in the financial result until taxing in 2017 was especially due to the micro enterprises which recorded a growth in the financial result until taxing by 2.2 times sply.

Table 5.1. Dynamics of main indicators of business activity during 2016-2017

Indicators	Total			SME		
	2016	2017	Index %	2016	2017	Index %
Number of enterprises, thousand un.	52.3	54.3	103.8	51.6	53.6	103.8
Average number of employees, thousand pers.	512.5	528.6	103.1	313.5	323.3	103.1
Sales revenues, mln.MDL	300733.4	330963.9	110.1	124954.4	137506.1	110.0
Financial result until taxing. Profit (+) Loss (-), mln. MDL				5878.5	10568.9	179.8

Source: Authors' calculations according to the data of the National Bureau of Statistics.

Most enterprises from Moldova belong to SME sector (98.6%). In the structure of SME, the micro enterprises prevail (86.2%), small enterprises account for 11.3%, middle ones -2.5% of total SMEs (Table 5.2).

Table 5.2. Main indicators of SME sector in 2017

Indicators	Total SME	Middle	Small	Micro
A	1	2	3	4
Number of enterprises, unit.	53573	1328	6 061	46184
% of Total	98.6	2.5	11.3	86.2
Average number of employees in SME sector, thousand pers.	323.3	103.5	112.0	107.8
% of Total	61.2	32.0	34.7	33.3

Table 5.2 – continue

A	1	2	3	4
Sales revenues, mln. MDL	137506.1	45237.0	56090.4	36178.7
<i>% of Total</i>	<i>41.5</i>	<i>32.9</i>	<i>40.8</i>	<i>26.3</i>
Financial result until taxing. Profit (+) Loss (-), mln. MDL	10568.9	3322.9	3811.5	3434.4
<i>% of Total</i>		<i>31.4</i>	<i>36.1</i>	<i>32.5</i>

Source: Authors' calculations according to the data of the National Bureau of Statistics.

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

During January-June 2018, in the region to the left of the Dniester River, 60.7% of organisations and enterprises achieved profit, being 128 organisations, up by 18.5% sply and 36, respectively, recorded losses (excepting small enterprises, banks, budget and insurance organisations). Of the organizations which recorded profit during semester I, 2018, the highest weight belongs to housing and utility services household organisations (71.4%), industry (70%), trade and food service (65.4%). In terms of value, unlike the previous period, most enterprises recorded a net profit (excepting enterprises from communication, constructions, other branches).

Table 5.3. Data on net profit (loss) of organizations from the left of the Dniester River by types of activity in January – June 2018

	Organisations which achieved profit	In % of total number	Organisations with loss	In % of total number	Net profit (net loss), thousand RUB.
Total	128	60.7	76	36	693871
including:					
Industry	42	70.0	18	30	417574
Agriculture	12	63.2	7	36.8	24775
Transport	15	53.6	13	46.4	31606
Communications	2	22.2	1	11.1	-20827
Constructions	1	14.3	6	85.7	-4538
Trade and food service	34	65.4	18	34.6	245084
Housing and utility services household	10	71.4	3	21.4	16175
Other branches	6	54.5	5	45.5	-5997

Source: "Financial activity of Organizations in January-June 2018" (except for small enterprises, banks, public and insurance organizations) Press-edition.

Chapter VI SOCIAL SECTOR

Demographic situation. In Q II of 2018, the decreasing trend in the number of live births, deaths, marriages continues, at once the birth, mortality and marriage rates are also reducing. The number of divorces and divorce rate have increased. Within the country, the number of departures from both rural and urban areas rose and the number of arrivals increased only in urban areas while in rural ones decreased, at the same time the number of migrant workers grew.

In Q II of 2018, the total number of live births in the country amounted to 16040 pers., decreasing by 828 children or 4.9% compared to Q II of the last year, the birth rate was 9.1 live births per 1000 inhabitants, declining by 0.4 p.p. sply. The number of deaths accounted for 19099 pers., recording a reduction of 676 persons or by 3.4% less sply and mortality rate reached 10.9 deaths per 1000 inhabitants, down by 0.3 p.p. sply. The number of deaths of children aged under 1 year in Q II of 2018 amounted to 173 cases, being by 1 case less than in Q II of the previous year. The natural decrease in Q II, 2018 accounted for -3059 persons (-2907 persons in Q II, last year) or -1.7 persons per 1000 inhabitants (-1.6 persons per 1000 inhabitants in Q II of the previous year).

The total number of *marriages* in the country in Q II of 2018 numbered 7899, decreasing by 161 or by 2.0% compared to the same period of the previous year and marriage rate equated to 4.5 marriages per 1000 inhabitants, reducing by 0.1 p.p. sply. The indicator in the case of divorces amounted to 5051, up by 71 or by 1.4% against Q II of the previous year. The divorce rate was 2.9 divorces per 1000 inhabitants, by 0.1 p.p. more sply.

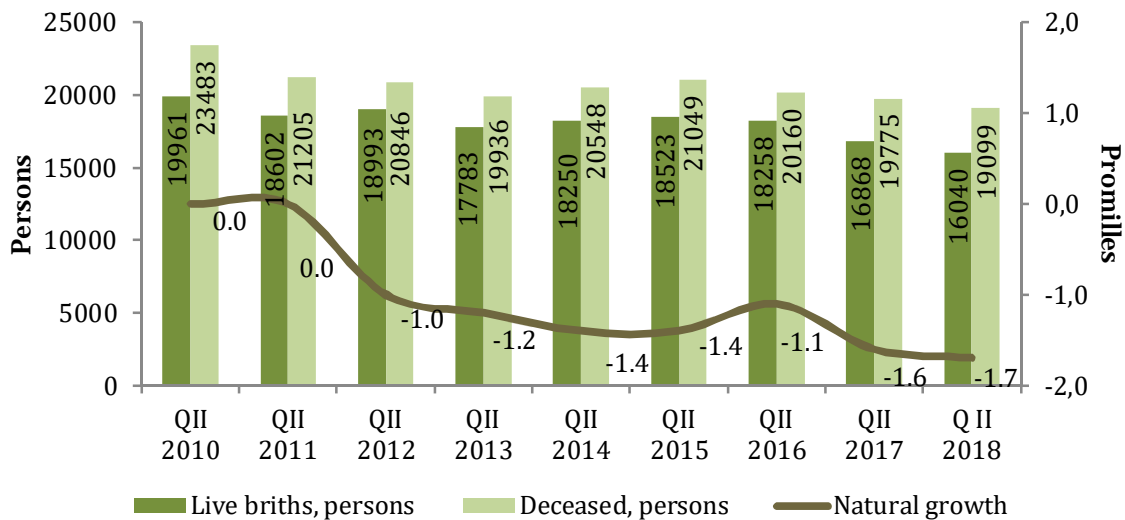


Figure 6.1. Natural movement of population in Q II, 2010-2018

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

With respect to internal migration determined by change of home in Q II, 2018 the total number of arrivals within the country amounted to 14781 persons, by 247 or by 7.3% more sply. 9500 arrivals took place in urban areas, by 649 arrivals or 7.3% more sply and 6443 departures, by 236 departures or 3.8% more sply. 5281 arrivals took place in rural areas, by 402 arrivals or 7.2% less sply and 8338 departures, by 11 departures or 0.1% more sply. The highest part of arrivals was in urban areas (64.3%), and departures – from rural areas (57.0%).

In Q II, 2018, regarding the labour migration, 355.3 thousand persons emigrated outside, by 40.5 thousand persons or 12.9% more sply. Most of these people were men – 67.7%. In Q II of 2018, the men held the majority of urban population who emigrated outside looking for a job – 72.4%, and the men who emigrated from rural areas held weight of 65.8%.

Labor market. Q II of 2018 is characterized by a reduction in the number of unemployed and economically inactive population as well as the unemployment rate, taking place a slight increase of economically active population and employed one as well as activity and employment rates. In Q II of 2018, NEET group had a weight of 27.0% of population aged 15-29 years (excepting population who went abroad working or looking for a job) in relation to 28.2% in Q II of 2017.

In Q II of 2018, the **economically active population** amounted to 1384.3 thousand pers., increasing by 5.2% or 68.3 thousand persons compared to Q II of 2017. At the same time the **activity rate** of population was 46.4% and grew by 2.3 p.p. compared to Q II of 2017. Among the economically active population, the indicator was higher for men (49.1%) than women (44.0%). There are also discrepancies in terms of area, the activity rate being higher in rural area (49.0%) than in urban one (43.1%). In the age group of 15-29 years, the activity rate of economically active persons accounted for 29.6%, and in the group of 15-64 years – 50.6%. The economic activity rate of working age population (according to national legislation: 16-57.5 years – women and 16-62 years and 4 months – men) constituted 52.5%.

Employed population amounted to 1343.4 thousand pers., increasing by 5.8% compared to the level of Q II, 2017. There were no major disparities by gender – men – 49.6% and women – 50.4%. The weight of employed population in urban area was lower than in rural one: in urban areas – 39.5%, in rural areas – 60.5%.

Employment rate of population aged 15 and over reached 45.0%, being up compared to Q II of 2017. The employment rate of men – 47.5% was higher in relation to women (42.8%). By residence area, the employment rate in urban area was – 40.7%, being lower than rural one – 48.4%. The employment rate of the working age population (16-57.5 years – women/62 years and 4 months – men) accounted for 50.7%, of people aged 15-64 years old – 49.0%, and in the age group of 15-29 years – 27.8%.

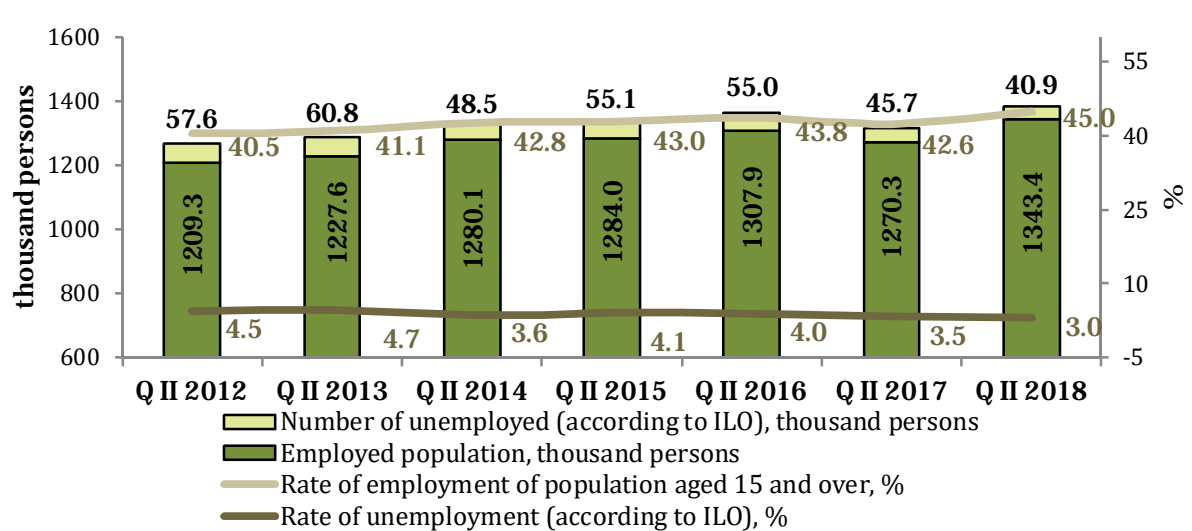


Figure 6.2. Dynamics in the number of employed, unemployed population and employment and unemployment rates of population aged 15 and over in Q II, 2012-2018
 Source: According to the data of the National Bureau of Statistics.

In Q II, 2018 **number of unemployed**, amounted to 40.9 thousand pers., by 10.5% or 4.8 thousand persons less against Q II, 2017 according to the International Labour Office. The unemployment was higher among men – 53.0% of total unemployed as well as among people in urban areas – 77.0%.

Unemployment rate in Q II, 2018 across the country accounted for 3.0%, decreasing by 0.5 p.p. compared to Q II, 2017. The unemployment rate for men was 3.2%, and for women – 2.8%. There were recorded minor discrepancies in the unemployment rates between urban and rural areas (5.6% and 1.1% respectively). Among young people (15-24 years) the unemployment rate was 7.8%, and in the age group of 15-29 years – 6.0%.

Inactive population in the country (aged 15 and over) in quarter II of 2018 amounted to 1598.3 thousand persons, reducing by 69.6 thousand persons or 4.2% compared to Q II of 2017. The inactive population includes: **pensioners** (35.4%); **people announced by households as working or looking for a job abroad** (22.2%); **pupils and students** (15.4%); **people who take care of family** (11.8%); **people who (at the time of interview) were living in the country but did not work in Moldova as they had already a (permanent or seasonal) job abroad or people who plan to work abroad** (11.0%); **other categories of economically inactive people** (4.2%).

The NEET group consists of young people aged 15-29 years who are not in Education, Employment or Training. In Q II of 2018, this group held a weight of 27.0% of population aged 15-29 years (excepted the population working or looking for a job abroad) compared to 28.2% in Q II, 2017.

Remuneration of labor

In Q II of 2018, the gross average monthly nominal salary amounted to 6369.8 MDL, rising by 13.0% as against Q II of 2017, and in real terms – by 9.5%. The average monthly salary in public sector (5569.3 MDL) increased by 13.1% sply, in a greater measure than the average monthly salary in the real sector (6679.6 MDL), which rose by 12.7% sply. The highest-paying economic activities are: Information and communications (14026.3 MDL), Financial and insurance activities (11724.7 MDL) and Production and supply of electricity, heat energy, gas, hot water and conditioned air (10939.2 MDL).

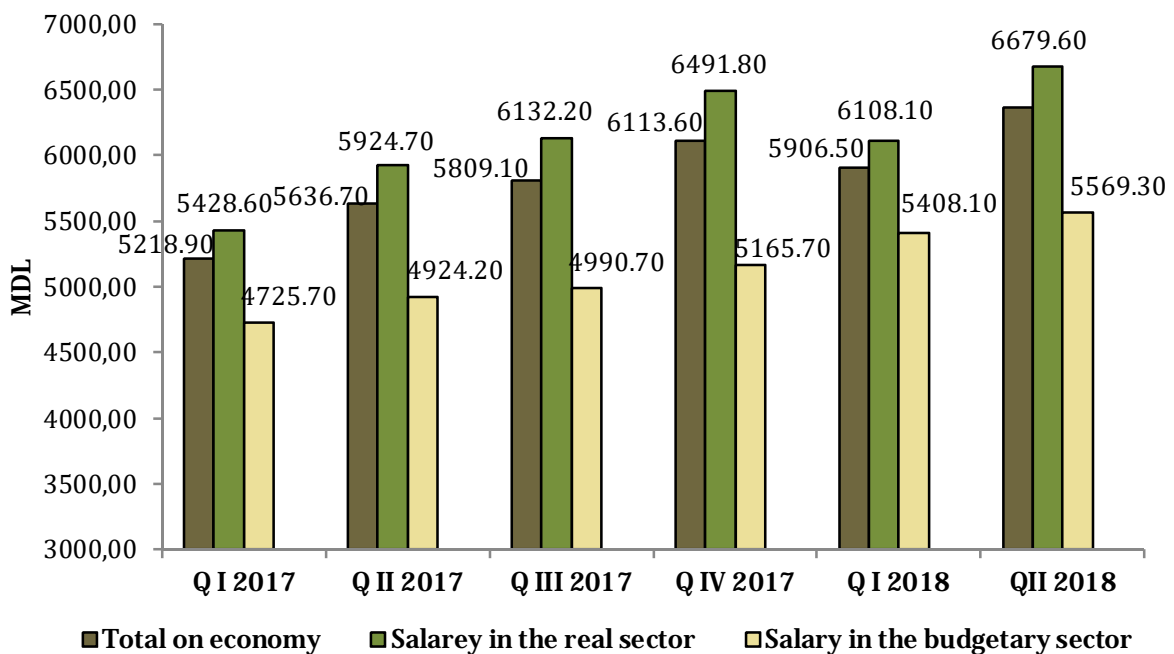


Figure 6.3. Dynamics of nominal salary in public and real sectors during Q I 2017– Q II 2018, MDL

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

In Q II of 2018, the gross average monthly nominal salary amounted to 6369.8 MDL, increasing by 13.0% compared to quarter II of 2017 and in real terms (adjusted to the consumer price index) – by 9.5%. The average monthly salary in public sector accounted for 5569.3 MDL (by 13.1% more as against Q II of 2017), in real sector – 6679.6 MDL (by 12.7% more in relation to Q II of 2017). According to the types of economic activities, the highest average monthly salary in Q II, 2018 has been registered in: **Information and communications** – 14026.3 MDL (by 2.2 times higher than the average salary), **Financial and insurance activities** – 11724.7 MDL (184.1% of the average salary), **Production and supply of electricity, heat energy, gas, hot water and conditioned air** – 10939.2 MDL (171.7% of the average salary). In the second quarter of 2018, the lowest salaries were found in the following economic activities: **Art, leisure and recreation activities** – 3734.8 MDL (58.6% of the average salary), **Agriculture, forestry and fishing** – 4154.6 MDL (65.2% of the average salary) and **Accommodation and food service activities** – 4404.8 MDL (69.2% of the average salary).

Box 6.1. Real sector wage

According to the Decision as of April 25, 2018 on the amendment of point (1) of Government Decision no. 165 of March 9, 2010, published since April 27, 2018 in the Official Journal No. 133-141 art No. 438, the Government decides: „Since May 1, 2018 the guaranteed minimum salary in the real sector (in enterprises, organizations, institutions with financial autonomy, regardless of the type of property and legal form of organization, hereinafter – units) amounts to 15.44 MDL per hour or 2610 MDL per month, calculated for a full-time work programme of about 169 hours per month”.

Source: <http://lex.justice.md/viewdoc.php?action=view&view=doc&id=375188&lang=1>

In quarter II of 2018, the disposable monthly revenues of population amounted to 2374.0 MDL on average per capita, up by 6.6% sply and by 0.9% more in relation to quarter I of 2018. In real terms, the revenues of population rose by 3.3% sply. The most important sources of revenues remain to be: salaries (42.4%), social benefits (23.9%) and remittances from abroad (16.5%).

In the second quarter of 2018, the disposable monthly revenues of population amounted to 2374.0 MDL on average per capita, by 6.6% more than in the same period of the previous year, and in real terms (adjusted to the consumer price index) increased by 3.3%. The contribution of salaries in the household revenue structure still remains the most important financial source. The revenues from salaries represent 42.4% of total disposable revenues, their weight being down by 0.8 p.p. compared to Q II of 2017. The social benefits are the second significant source of revenues of Moldavians amounting to 23.9%, being by 1.9 p.p. more sply. The self-employment activities with a weight of 13.5% of the average monthly revenues per capita, of which from agricultural individual activities – 7.3%, and from non-agricultural individual activity – 6.2% have also contributed to the formation of revenues. Another important source for the household budget are the remittances from abroad. These represent 16.5% of total revenues, being down sply. The household revenues from urban area were on average by 643 MDL or by 1.3 times higher than those from rural area. For the population in urban area, the main sources of revenues are the salaries which ensured the revenues of population in the ratio of 53.6% (decreasing by 1.4 p.p. as against Q II of 2017) and social benefits – 22.7% (at the level of Q II, 2017). The revenues of population in rural area are generated on the basis of salaries in the ratio of 31.0%, and the contribution of this activity is by 22.6 p.p. lower than in urban area. At the same time, the revenues from agricultural individual activity had a weight of 13.9% of total disposable revenues. The revenues of population in rural area depend to a greater extent on the social benefits and remittances from abroad in relation to revenues of population in urban area. Thus, the social benefits in villages are in the ratio of 25.9%, while in urban areas their weight was 22.0%, and the

remittances from abroad in villages hold a weight of 21.9%, while in cities this weight represents 11.2%.

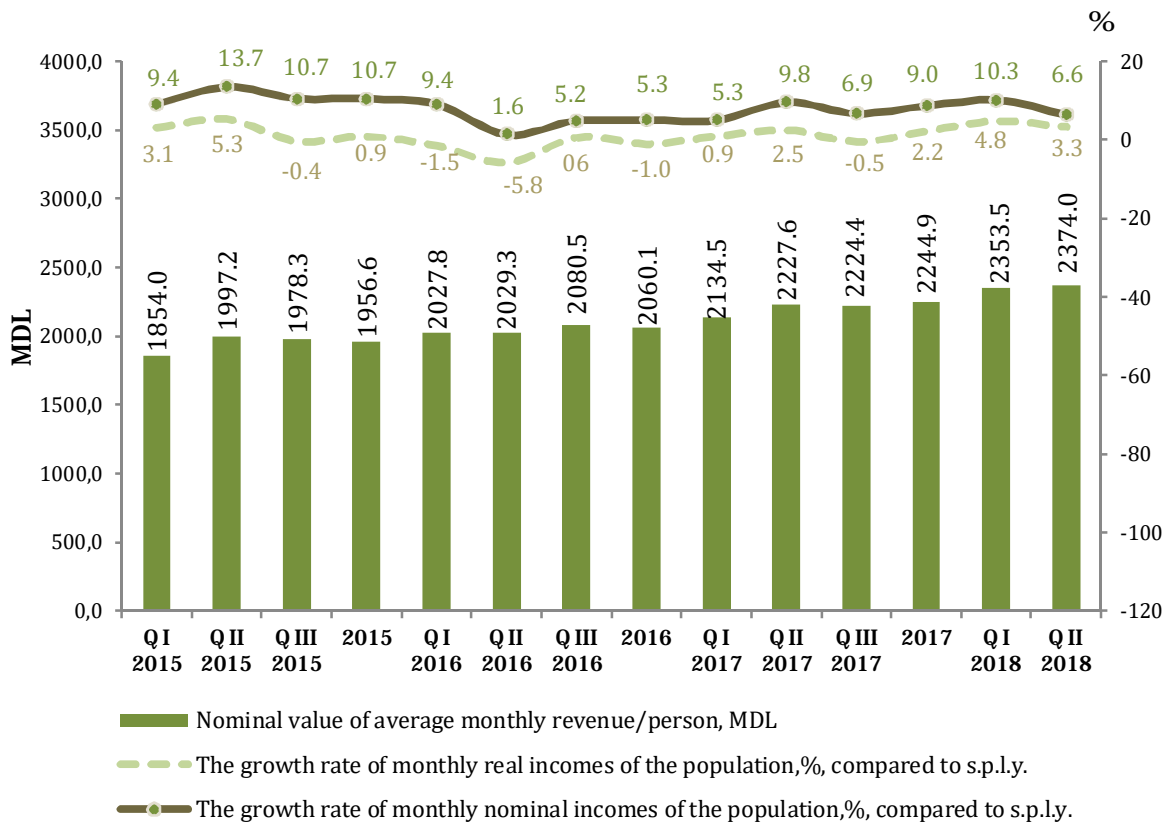


Figure 6.4. Dynamics of household disposable revenues, nominal value and growth rates by quarters, Q I 2015 – Q II 2018

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

Average monthly consumption expenditures of population in Q II of 2018 amounted to 2379.0 MDL per capita, increasing by 5.9% sply and by 2.1% compared to Q I of 2018. In real terms, adjusted to the consumer price indices, household expenditures increased on average by 2.6% sply. The highest part of expenditures continues to be directed towards: food consumption (45.0%), housing maintenance (18.2%) and clothing and footwear (10.4%).

In Q II of 2018, the average monthly consumption expenditures of population amounted to 2379.0 MDL per capita, increasing by 5.94% compared to Q II of the last year. In real terms (ajusted to the consumer price index), the household expenditures increased on average by 2.6% compared to Q II of the previous year. A lot of the expenditures is directed towards food consumption – 45.0% (44.3% in Q II, 2017). The housing maintenance expenditures had a weight of 18.2% of total consumption expenditures on average per capita (18.4% in Q II of 2017). The clothing and footwear expenditures accounted for 10.4% (as in the same period of the previous year), health services – 5.4% (5.5% in Q II of 2017), communications – 4.4%, housing facilities – 3.7%, transport – 3.8%, education – 0.4%, etc. The structure of consumption expenditures did not change significantly sply. The monthly consumption expenditures of population in urban area equated to 2746.0 MDL on average per capita, by 652 MDL or by 1.3 times more as in rural area. The population in urban area directed 42.9% of monthly consumption expenditures (41.9% in Q II of 2017) towards food consumption, and in rural area – 47.1% (46.8% in Q II of 2017).

At the same time, the urban population spent more for transport – 3.8% vs 3.7% in rural area, for communications – 4.5% vs 4.2%, recreation – 2.4% versus 0.4%, for hotels, cafes and restaurants – 2.5% versus 0.7%, education – 0.5% vs 0.3%, others – 4.8% vs 3.7%. The rural population spent

more for food products – 47.1% vs 42.9% in urban area, for alcoholic beverages and tobacco – 1.7% vs 1.5%, for clothing, footwear – 10.5% vs 10.2%, for health services – 5.5% vs 5.4%, for housing facilities – 3.8% vs 3.6%, for housing maintenance – 18.4% vs 18.0%.

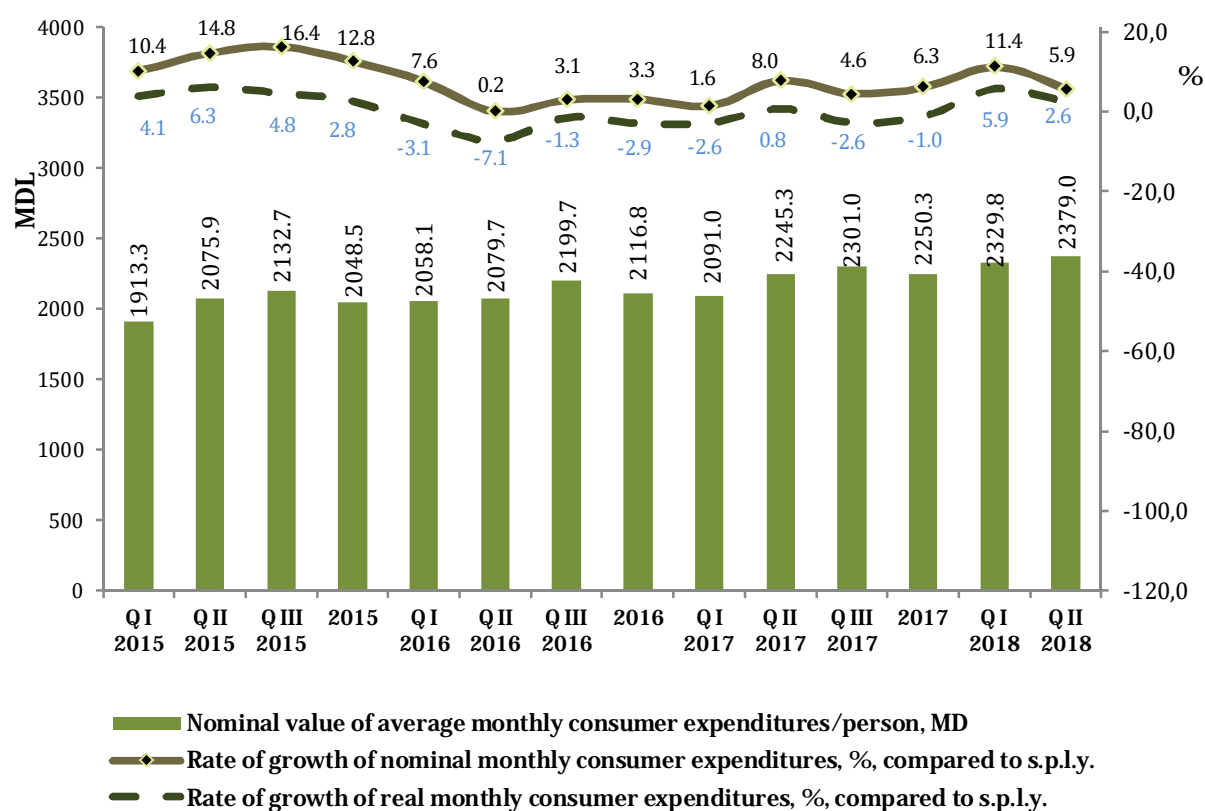


Figure 6.5. Dynamics of consumer expenditures, nominal value and growth rates by quarters, Q I 2015 – Q II 2018

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

Box 6.2. Rising heating tariff

Since June 29, 2018, the Decision No. 203 of June 15, 2018 on electricity tariffs and prices, has been published in the Official Journal, with the following amendments:

1. The tariffs for the distribution service of electricity provided by „RED Nord” S.A., differentiated with respect to the voltage level of electricity distribution networks shall be approved.
2. The regulated prices of supply of current by S.A. „Furnizarea Energiei Electrice Nord”, differentiated with respect to the delimitation points or the consumption places of end-users shall be approved.
3. The decision enters into force on July 1, 2018.

Source: <http://lex.justice.md/viewdoc.php?action=view&view=doc&id=376221&lang=1>

Social protection of populaion. 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, 2018 amounted to 714.7 thousand pers. or by 2.2 thousand pers. more compared to July 1, 2017. On July 1, 2018 the monthly average pension amounted to 1658.68 MDL, up by 11.7% against July 1, 2017.

Box 6.3. Pension valorization

According to the amendment and completion of Law no. 156/1998 on public pension system (republished in the Official Journal of the Republic of Moldova, 2004, no. 42–44, art. 247), with further amendments and completions, it shall be adopted and completed:

Since April 1, 2018 the mandatory and disability pensions set in 2012-2013 shall be valorized and from October 1, 2018 the mandatory and disability pensions set during January 1, 2014 – March 31, 2017 shall be valorized.

People who, at the moment of entry into force of this law, meet the conditions for early mandatory pension provided in the art. 151 of Law no. 156/1998 on public pension system, will be able to assert this right under the above-mentioned conditions and after this law comes into force.

Source: <http://lex.justice.md/viewdoc.php?action=view&view=doc&id=373603&lang=1>

Subsistence minimum. In the first half of 2018, the average monthly subsistence minimum amounted to 1895.7 MDL per capita, increasing by 1.6% sply. In cities, the subsistence minimum equated to 2061.7 MDL, by 2.3% more sply, in towns – 1870.3 MDL, by 1.8% more sply, in villages – 1830.1 MDL, by 1.1% more sply. In cities, the subsistence minimum was by 10.2% higher than in towns and by 12.7% higher than in villages. By categories of population, the highest value of the subsistence minimum belongs to working age population – 2014.7 MDL and especially, to men – 2177.1 MDL.

Subsistence minimum. In the first half of 2018, the average monthly subsistence minimum amounted to 1895.7 MDL per capita, increasing by 1.6% sply. In cities, the subsistence minimum equated to 2061.7 MDL, by 2.3% more sply, in towns – 1870.3 MDL, by 1.8% more sply, in villages – 1830.1 MDL, by 1.1% more sply. In cities, the subsistence minimum was by 10.2% higher than in towns and by 12.7% higher than in villages. By categories of population, the highest value of the subsistence minimum belongs to working age population – 2014.7 MDL and especially, to men – 2177.1 MDL.

Social development of the region to the left bank of the Dniester River⁴

Demographic situation. The natural decrease of population, during January-June 2018, amounted to 1610 de pers., compared to the similar period of the last year and increased by 20.3% compared to January-June 2017.

During January-June 2018, 1935 live births have been recorded, declining by 229 pers., or 10.6% as against the same period of the last year. In January-June 2018, the number of deaths caused by the coronary heart disease rose by 4.5% in relation to January-June 2017, while the number of poisons, lesions and murders decreased by 15.6%, digesstive diseases – by 7.7%, vascular brain lesions – by 4.8%, neoplasmas – by 1.1%.

In January-June 2018, **infant mortality** of children under the age of 1 year amounted to 13 pers., by 31.6% less than in January-June 2017.

The structure of the main causes of infant mortality is:

- congenital abnormalities (3 cases);
- conditions from perinatal period (5 cases).

⁴ The analysis was conducted based on the Statistical Service of Transnistria.

Migration decrease of population during January-June 2018, taking into account internal and external migration, reached 384 pers., while during the same period of the previous year there was a natural increase of 94 pers. During January-June, 2018, 3358 pers. (out of the region – 1477 pers.) **arrived**, representing 84.0% of total number of arrivals during the respective period of the previous year, of them children under 16 years – 740 pers., or 22.0% of total number of arrivals. 3742 pers (out of the region – 1802 pers.) **left** or 95.9% of those who left during January-June 2017 including children under 16 years – 579 pers. or 15.5% of total number of departures. Of total number of arrivals in the region – 48.3% are men (1623 pers.) and the weight of men who left the region is 49.5% (1854 pers.).

In January-June 2018, 2210 pers. arrived in urban areas and 2630 pers. left, which is 83.4% and 95.6%, respectively compared to the same period of 2017, 1208 pers. arrived out of the region and 1472 pers. left the region. 1148 pers. arrived in rural areas and 1112 pers. left, which represent 85.3% and 96.5%, respectively compared to the same period of the previous year. 269 pers. arrived out of the region and 330 pers. left the region.

The number of **marriages** registered in January-June 2018 was 1038, decreasing by 5.2% in comparison with the same period of 2017. The number of **divorces** reached 800, declining by 9.8% compared to the similar period of the last year.

Labor market

On , July 1, 2018 the number of employees in the organizations of all economic sectors (except for small enterprises, religious and non-profit organizations, security structures and customs authorities) amounted to 95.0 thousand pers., decreasing by 1899 pers. or by 2.0% compared to the same period of the previous year. Since the beginning of 2018, the number of citizens registered to the employment agencies who get a job numbered 8955 pers., including 519 pers. – to newly created and additional jobs. The percent of substitution of pensioners with new staff was 100.6%.

During January-June 2018, 8900 people have been layed off from institutions and organizations, representing 9.4% of the number of employees since the beginning of the year. The main reason of dismissal is worker's own motion, this category includes 7901 pers. (88.8%).

According to the Social Insurance Fund of Transnistria, by the end of June 2018, the number of citizens officially registered as unemployed amounted to 3575 pers., by 48.0% less against the end of June 2017. 1813 pers. or 50.7% of total number of registered citizens are women. In January-March 2018, through territorial bodies of the Transnistrian Social Insurance Fund, 3267 pers. were recorded as looking for a job, of them 1541 pers. are women (47.2% of total number of registered citizens). In January-June 2018, 8042.9 thousand rubles⁵ were spent for payment of unemployment benefits. 2526 pers. received unemployment benefits, their average amount totaled 425.7 rubles or 29.3% of the average subsistence minimum budget per capita.

Remuneration of labor. In January-June 2018, the average monthly nominal salary calculated for an employee in the region (except for small enterprises, religious and non-profit organizations, power structures and customs authorities) amounted to 4204 rubles, which is 109.5% compared to January-June 2017. The average monthly salary at public organizations amounted to 2818 rubles, increasing by 4.4% against the same period of the previous year.

During January-June 2018, the average monthly nominal salary of an employee was higher than the average salary in the region in the following economic branches: „Electrical- and radio-communication” (10440 rubles or 652 US dollars), „Banks and credits” (8115 rubles or 507 US dollars), „Insurances” (7297 rubles or 455 US dollars), „Industry” (5828 rubles or 364 US dollars),

⁵ The official average exchange rate of the monetary authority of the region to the left of the Dniester River in January-June 2018 – 1 US dollar=16,0177 rubles (http://www.cbpmr.net/data/Svk_avg_2018_narast_itog.pdf).

“Physical education, recreation and tourism” (4748 rubles or 296 US dollars), „Information and computer services” (4745 rubles or 296 US dollars), „Constructions” (4437 rubles or 277 US dollars), „Transport” (4318 rubles or 270 US dollars), „Trade and food service” (4214 rubles or 263 US dollars).

In January-June 2018, in almost all industry sub-branches in the region, excepting "Ferrous metallurgy", "Machine Building and Metalworking" and "Electroenergetics", the average monthly nominal salary of an employee was lower than the average in industry in the region.

The highest average monthly nominal salaries for January-June 2018, were recorded in the following industry sub-branches: "Ferrous Metallurgy" (7915 rubles or 494 US dollars), which is higher than the average salary in the region by 88.3% ; "Electroenergetics" (6588 rubles or 411 US dollars) – by 56.7% higher than the average salary; "Machine Building and Metalworking" (6376 rubles or 398 US dollars), by 51.7% higher than the average salary in the region; "Food industry" (5117 rubles or 319 US dollars), by 21.7% higher than the average salary in the region; "Building materials industry" (5062 rubles or 316 US dollars), by 20.4% higher than the average salary in the region; "Chemical industry" (4923 rubles or 307 US dollars), by 17.1% higher than the average salary in the region.

Social protection of population. In April-June 2018, the number of pensioners amounted to 116015 pers., of them 111809 pers. benefit by labour pension and 4205 pers. – by social pension. In April-June 2018, the average amount of the pension accounted for 1337.67 rubles (labour pension – 1362.91 rubles and social pension – 666.47 rubles).

Subsistence minimum. In January-June 2018, the subsistence minimum amounted to 1453 rubles per capita, which is by 9.4% more than in January-June, 2017.

Crimes. In January-June 2018, according to the public order protection bodies, 5097 requests and reports on crimes have been registered, which is by 11.6% less than in January-June 2017.

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

	Total population	Including:				
		Able to work		Pensioners	Children	
		Men 16-59 years	Women 16-54 years		aged under 6 years	from 7 to 15 years
<i>January</i>	1428	1582	1473	1202	1343	1616
<i>February</i>	1442	1598	1485	1214	1355	1634
<i>March</i>	1452	1611	1494	1224	1360	1636
<i>April</i>	1464	1624	1506	1235	1372	1654
<i>May</i>	1456	1615	1496	1228	1365	1646
<i>June</i>	1474	1634	1514	1244	1386	1672

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

During the analyzed period, 2075 crimes have been registered in the region which is by 12.8% less compared to January-June, 2017. Of total number of recorded crimes – 388 cases (18.7%) were classified as serious and 137 cases (6.6%) – extremely serious. It should be mentioned that compared to January-June 2017, the number of extremely serious crimes reduced by 19.4% and serious ones by 14.2%. During January-June 2018, there were registered 529 thefts, 273 drug related crimes, 85 crimes related to illegal trafficking in arms; 100 scams; 55 hooliganisms; 41 robberies; 31 rapes and other crimes against sexual inviolability; 31 serious health injuries; 16 murders; 25 corruption crimes; 2 murders committed by use of arms, munitions and explosives; other crimes – 657.

In January-June 2018, 2226 crimes were investigated, of which 397 (17.8%) crimes were committed by persons previously convicted, 304 (13.7%) – women, 286 (12.8%) – group of persons, 189 (8.5%) – crimes committed by minors. During January-June 2018, 205 (9.2%) crimes were committed in drunkenness, drugging or in any other nature condition. As a result of these crimes, 1145 pers. suffered, including 21 pers. (1.8%) died, and 26 pers (23%) were seriously injured.

Chapter VI FORECAST FOR 2018 (updated version)

Social-economic development of the Republic of Moldova in the first half of 2018

In the first months of 2018, most sectors and fields of the national economy have registered a positive dynamics. There were recorded rises in agriculture and industry as a result of the positive developments of the vegetable production and manufacturing as well as the increase in internal and external demand etc. The internal trade in goods and market services provided to population have also increased, indicating a continuous rising in consumption. As an important sector of the economy, the transport services followed the same direction as other sectors of the national economy. The external trade, based on the rises of the agriculture and industry from the last year and from the first months of this year as well as a result of expanding the external markets, reflects the continuation of the increasing trend highlighted since 2017. The investment in fixed assets recorded an increase both in private and in public investment.

Gross Domestic Product (GDP). The positive dynamics of the most macroeconomic indicators in the first months of 2018 has naturally reflected on the main macroeconomic indicator of GDP too, which increased by 4.5%, in nominal terms calculated according to the new methodology and amounting to 81.8 bln. lei. The following economic activities have contributed to the GDP growth.

By ***categories of resources***: wholesale and retail trade; transport and storage; accommodation and food service activities (+1.6%), with a weight of 20.4% to the GDP formation; Industry (+1.1%), with a weight of 16.3% to the GDP formation; constructions (+0.5%), with a weight of 8.3% to the GDP formation. The volume of net taxes on products exceeded by 3.0% the achievements of the respective period of the last year, contributing 0.4% to the GDP growth.

By ***categories of uses***, the increase was due to the: household final consumption (+3.3%), with a 87.1% contribution to the GDP formation; gross fixed capital formation (+1.7%), with a weight of 23.3% to the GDP formation. The net export had a negative contribution on the GDP physical volume index (-2.2%), consequence of a more pronounced contribution to the GDP formation of imports of goods and services (61.2%) compared to exports of goods and services (33.6%).

In July 2018, there was ***deflation***. The deflation rate accounted for 0.4% compared to December 2017 in relation to the inflation rate of 3.8%, recorded during the same period of 2017. The annual inflation rate was 3%, being under the target level of inflation set by the National Bank of Moldova (5% +/- 1.5%). In August 2018, the annual inflation rate accounted for 3.2%, including: food products – 6.9%, non-food goods and services provided to population – 2.7%. At the same time, the consumer price index, in August 2018, equated to 99.8% compared to July 2018.

Moldovan leu has appreciated against dollar and Euro. Since the beginning of 2018, the national currency has marked an appreciation of 3.1% against US dollar in nominal terms (from 17.10 lei per 1 US dollar on January 1, 2018 up to 16.58 lei on July 31, 2018). The Moldovan leu has appreciated by 5.1% in relation to Euro.

On July 31, 2018 ***the stock of foreign exchange reserve assets*** of the NBM reached a record of 2970.4 mln. USD, increasing by 6% compared to the level recorded by the end of 2017 and by 20% compared to July 31, 2017.

The lending situation is gradually improving. The money supply M3, by the end of July 2018, amounted about 78.5 bln. lei and increased by 7% compared to the end of July, last year. The

development of money supply M3 was due to the increase of 13.8% in the volume of deposits in national currency. The volume of new loans provided to the economy in July, this year recorded a growth of about 19.5%.

Public debt slowed down the growth rate. The total value of the (internal and external) public debt managed by the Government on July 31, 2018 amounted to about 51.3 bln. lei, increasing by 0.7% compared to the same period of 2017. The internal public debt rose by 6.3%, and the external public debt (in USD) – by 5.4%. The appreciation of the national currency led to a decrease in the stock of the external public debt in lei (by 3.4%).

The external trade recorded significant rises. During January-July 2018, the exports of goods amounted to 1534.1 mln. US dollars, a higher volume by 25.8% than that recorded in the same period of 2017, and the **imports** of goods amounted to 3223.5 mln. US dollars, by 25% more compared to the respective period of 2017. The negative balance of the **balance of trade** totaled 1689.4 mln. US dollars in comparison with 1358.5 in January-July 2017. The degree of import coverage by exports in January-July 2018 accounted for 47.6% compared to 47.1% during the same period of the last year.

Industrial production continued the growth trend, in January-July 2018, compared to the same period of the previous year, being by 7.5% higher, following the increase in mining industry (+8.0%), manufacturing industry (+7.8%) and production and supply of electricity, heat energy, gas, hot water and conditioned air (+5.8%). In July 2018, the industrial production increased by 1.5%, in relation to the respective period of the last year, as a result of the industrial production increase in mining industry and production and supply of electricity, heat energy, gas, hot water and conditioned air. At the same time, there was recorded a decrease in manufacturing industry.

Agricultural production, in January-June 2018, increased by 7.2% (in comparable prices). The increase of agricultural production was mainly due to the growth of vegetable production of 54.6%, ensuring 91% of the increase of agriculture during the respective period. Livestock production has also recorded an increase of 0.7%, contributing 0.6 p.p. or 9% to the increase of the sector in total increase.

Investment activity had significant increases. In January-June 2018, the investment in fixed assets totaled 6767.7 mln. lei. Compared to January-June, 2017 these rose by 7.4%. The rise in private investment supported by the increase in lending of national economy as well as the growth of investment funded by the government budget and local one were the main factors which led to the increase of investment. At the same time, a decrease (-21%) in external sources has been recorded.

The volume of transport services continues to rise. During January-July 2018, all transport enterprises transported about 9.6 mln. tonnes commodities or by 15% more compared to the same period of the last year. Increases in the volume of transported commodities were recorded in all means of transport: air transport – by 33.8%, fluvial transport – by 15.5%, road transport – by 15.2%, railway transport – by 14.7%.

The volume of turnover in retail trade in January-June 2018 rose by 6.4% compared to the same period of the last year and the volume of turnover in market services provided to population - by 9.7%.

In **social direction** some improvements took place. **The average monthly salary** of an employee in the national economy for the first half of 2018 amounted to 6141.2 lei and in nominal terms grew by 13.1% compared to semester I of 2017. In real terms, the salary increased by 8.7%. In the budgetary sector, the average monthly salary constituted 5488.5 lei, up by 13.8% compared to semester I, 2017 and in the real sector – 6399.3 lei and increased by 12.6%, respectively.

In quarter II, 2018 the average monthly salary amounted to 6370 lei, or by 13% higher in comparison with quarter II, 2017. The highest salaries were recorded in Information and communications – 14026 lei, Financial and Insurance activities – 11725 lei, the lowest ones – in Agriculture, forestry and fishing – 4153 lei and Accommodation and food service activities – 4405 lei.

Disposable monthly revenues of population in quarter II, 2018 amounted to 2374 lei on average per capita, up by 6.6% compared to the same period of the last year and by 0.9% more compared to quarter I, 2018. In real terms the household revenues grew by 3.3%. The salaries are the most important source of revenue, 42.4% of total disposable revenues.

Average monthly consumption expenditures of population, in quarter II, 2018 equated to 2379 lei per capita, increasing by 5.9% compared to the same period of the last year and by 2.1% in relation to quarter I of 2018. In real terms, the population spent on average by 2.6% more compared to quarter II, 2017.

On July 1, 2018, the average value of **monthly pension** amounted to 1658.7 lei and increased by 11.7% compared to the same period of 2017, in nominal terms. The **subsistence minimum** in semester I, 2018 amounted on average to 1896 lei per capita, increasing by 1.6% compared to semester I, 2017.

Inactive population aged 15 and over totaled 1598.3 thousand persons. The structure of inactive population is as follows, – 35.4% pensioners, 22.2% – people declared as being abroad to work or to look for a job, 15.4% – pupils and students, 11.8% – people who take care of family, 11.0% – people who were in the country but did not work as they have already a job abroad or plan to work abroad.

Unemployment rate (according to ILO) across the country for quarter II, 2018 recorded 3%, by 0.5 p.p. lower compared to quarter II, 2017. The unemployment rate for men was 3.2%, and for women – 2.8%. During January-July 2018, about 18.9 unemployed have been recorded at the employment offices, by 19.8% fewer than in January-July 2017.

In January-July 2018, revenues worth 32.8 bln. lei have been accumulated in the **National Public Budget** (by 12.5% more compared to January-July 2017) and expenditures – 31.8 bln. lei (by 8.8% more).

The National Public Budget recorded an excess of 1064 mln. lei, compared to the deficit of 4.9 mln. lei in January-July 2017. The highest part of expenditures was directed towards social protection.

The forecast calculations for 2018 have been made under the macroeconomic model worked out within NIER, however the trends in the development of the national economy of recent time and the view of some specialists in the field have been taken into account too (Table 7.1).

Table 7.1. Dynamics of main macroeconomic indicators during 2015-2017 and forecast for 2018

A	Measurement Unit	2015	2016	2017	2018
		2	3	4	5
Nominal GDP	bln. lei	122.6	134.9	176.8*	190.5*
Compared to the previous year in comparable prices	%	99.6	104.5	104.5	104
Annual average consumer price index	%	109.7	106.4	107.3	103.5
Average exchange rate	lei/USD	18.82	19.92	18.5	17.0
Export of goods	mln. USD	1967	2045	2425	2985
Compared to the previous year	%	84.1	104.0	118.6	123.0
Import of goods	mln. USD	3987	4020	4831	5920

Table 7.1 – continue

A	1	2	3	4	5
Compared to the previous year	%	75.0	101.0	120.2	122.5
Balance of trade	mln. USD	-2020	-1975	-2406	-2935
Industrial production at current prices	bln. lei	45.7	47.0	50.1	53.0
Compared to the previous year in comparable prices	%	100.6	100.9	103.4	105.0
Agricultural production at current prices	bln. lei	27.2	32.7	36.0	38.0
Compared to the previous year in comparable prices	%	86.6	118.6	108.6	104.0
Investment in fixed assets	bln. lei	21.1	19.4	21.0	25.5
Compared to the previous year in comparable prices	%	90.6	86.1	101.3	107.5
Average monthly nominal salary	lei	4611	5084	5697	6445
Compared to the previous year nominal	%	110.5	110.3	112.1	113.0
Real	%	100.7	103.7	105.2	109.2
Labor remuneration fund	thousand pers.	50	59.1	65.7	74.2
Labor force (economically active population)	thousand. pers	1266	1273	1259	1290
Unemployment rate	%	4.2	3.6	4	3.8
Remittances from abroad	mln. USD	1130	1079	1199	1350

*Volume of GDP during 2017 - 2018 calculated according to the new methodology of NBS

Source: Compiled by authors according to the statistical data.

According to the calculations performed under the model and adjusted by specialists, the development of *agricultural production* in 2018 will increase (4.0%). The importance of the agricultural sector for the national economy is still predominant, as the activity of industry, external trade and transport, provision of internal market with food products etc. depends on the result of this sector.

For 2018, the *industrial production* will increase by 5.0% and amount to 53.0 bln. lei. The increase will be ensured by processing a good part of the rich fruit of the previous year and creation of new jobs, especially as a result of expanding the existing and new industrial parks, improvement of business environment, attracting higher investment.

The forecasts based on the results from the first 7 months indicate that in 2018, the growth rates of *imports* of goods will be slightly lower (122.5%) than the *exports* ones (123.0%), but not in such a way that to improve the *balance of trade*, far from it, in fact. As a result, the balance of trade deficit will reach 2935 mln. US dollars this year, or by 529 mln. more compared to 2017.

The forecast growth rate of *investment in fixed assets* of 7.5% is relatively good, however this will not be sufficient to impulse a visible increase of the national economy, especially taking into account that in the last years, the trend of this indicator was negative.

Maintaining a high growth rate in the nominal *salary* for 2018 (+13%) will also determine an increase of 9.2% in the real salary. It is forecast that the *unemployment* rate to be about 3.8%.

Labor force (economically active population) will grow by about 3% (from 1259 to 1300).

Remittances from abroad will rise from 1199 to 1350 mln. US dollars.

Economic growth premises

One of the main factors which will positively influence the dynamics of the economic development of the Republic of Moldova is the *Agreement on economic reform program* supported by a 3 year financing arrangement through Extended Fund Facility (EFF) and Extended Credit Facility

(ECF) concluded between the International Monetary Fund (IMF) and our country. Thus, according to the agreement with the IMF, there is forecast the allocation of a financial aid amounting to 179 mln. USD during 3 years. The conclusion of the agreement with the IMF, institution of a relatively stable political situation in the country, improvement of the investment climate, other measures in promoting the reforms contributed to the opening to Moldova of more international financial institutions by providing with financial aids to support the budget, as well as the implementation of several programs and projects.

A decisive premise for the economic development is the ability of government to create *favourable conditions to boost the business and attract investment*. In recent years, there were carried on several actions to improve this situation. According to the World Bank's *Doing Business Annual Report - 2017*, Moldova ranks 44th of 190 countries included in the ranking by the level of business facilitation. In this respect, Moldova had a good development moving gradually from 82nd position in 2013 to 63rd in a year, then in 2015 to advance up to 52nd and in the end 44th place already mentioned.

Weaknesses in the development of national economy

A heavy burden for the country's economy is the *excessive increment of public debt* which by the end of the year reached almost 51 bln. MDL. 29 bln. MDL of the total amount belong to the external public debt, and the rest of 22 bln. MDL – to the internal public debt. This record increase is partially due to the Government's decision to assume the responsibility on converting the emergency loans granted by the NBM in 2014 and 2015 to the three banks involved in the billion dollar fraud in public debt.

Macroeconomic situation and actual challenging policy do not contribute to the economic growth. According to the IMF experts, the budget and fiscal policy of the Republic of Moldova has limited capacities to support the internal economic activity, especially until the new authorities will develop a fiscal policy and government expenditures policy that will lead to the strengthening of the national public budget capacity to achieve the goals on the development agenda. The poor governance in the banking sector produces high costs for the economy. Removing the deficiencies in banking supervision is a long-awaited challenge and its achievement will play a key role in the revival of macroeconomic stability. The parliamentary elections forecast to take place at the beginning of 2019 will also influence negatively the normal development of the national economy.

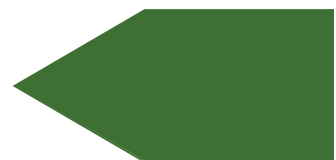
Worsening country image in international ranking. In the global ranking on annual *democracy* index published by *The Economist*, Moldova continued to degrade during the last ten years. Therefore, in 2016 the Republic of Moldova ranked 76th of 167th countries, giving up six positions compared to 2015, being classified as a *defective* state, with a democracy index of 6.01, against 6.35 in the previous year. In 2017, Moldova was in 78th place (of 113 assessed countries), with a democracy index of only 5.94, for the first time internationally it is recognised as a *hybrid regime* country.

In another ranking, compiled by the *Transparency International* organization, in 2017 our country lost 20 positions in the world ranking on *corruption* perception index, being in 122th place of 180 countries, where it is also said that the situation in our country is from worse to worst. Contrary to the Republic of Moldova, Georgia and Romania are placed higher, being in 46th and 59th positions, respectively. At the same time, Ukraine and Russia are inferior – 130th and 135th positions. In the report quoting our country it is said that the public confidence in the government decreased dramatically, following the bank fraud from 2014. Moldova continues to be the last in Europe, according to the Gross National Product index per capita by PPC with 5.2 thousand USD.

The actual forecast version of the main macroeconomic indicators for 2018 by the GDP growth rates of 4% can be considered a moderate one. This GDP growth rate corresponds to the economic potential of the country and average level recorded in the last years.

To achieve the expected goals during the forecasting period, it is necessary to ensure a macroeconomic stability, firstly in the financial-banking sectors, as well as a political stability in the country.

STATISTICAL ANNESXES



GDP RESOURCES

Period	GDP		GVA		Agriculture		Industry		Constructions		Other activities		Net taxes on products	
	mln. lei current prices	in % sply	mln. lei current prices	in % sply	mln. lei current prices	in % sply	mln. lei current prices	in % Sply	mln. lei current prices	in % sply	mln. lei current prices	in % sply	mln. lei current prices	in % sply
2011	82348.7	106.8	68390	106.3	10095	105.2	11518	110.2	2720	101.9	45831	101.3	13959	109.6
2012	88227.8	99.3	73686	99	9896	79.9	12314	100.8	3041	101.8	50178	103.2	14542	100.8
2013	100510.5	109.4	83719	110.2	12383	146.6	14328	107.6	3373	105.3	55346	103.9	16791	105.1
2014	111757.4	104.6	94228.3	105.2	14111.8	108.2	16246.8	107.2	3964.8	110.6	62112.3	103.8	17529.1	101.5
2015	121850.9	99.5	103160.8	99.6	14267.8	86.6	14919.3	103.4	4359.7	100.6	69441.4	102.8	18690.1	99.2
2016	134476.6	104.1	114531.6	104.8	16409.4	118.2	20254.2	102.1	4388.4	93.3	73479.6	102.2	19945.0	100.6
2017	150369.3	104.5	126440.9	103.8	18357.6	107.9	21952.2	103.0	4928.6	104.3	81202.6	102.4	23928.3	108.6
Quarter I 2015	24423.2	104.8	20473.7	105.2	914.7	104.4	4001.4	107.9	708.6	106.2	15763.5	105.2	3949.4	103.1
Quarter II 2015	28526.8	102.5	23958.3	102.7	2064.6	102.7	4569.5	104.6	1521.4	101.1	16755.0	103.5	4568.5	101.5
Quarter III 2015	35889.6	96.3	30723.9	96.1	6484.8	82.6	4846.8	102.5	1393.5	98.2	19030.7	101.2	5165.7	97.6
Quarter IV 2015	33011.3	96.7	28004.8	96.9	4803.7	81.7	4010.9	98.1	736.2	98.9	19002.6	106.2	5006.5	95.6
Quarter I 2016	27097.4	100.8	23018.9	100.6	1005.9	105.1	4529.9	101.14	697.3	96.0	17143.0	98.8	4078.4	102.2
Quarter II 2016	31433.8	101.8	26575.5	102.4	2078.4	104.1	4839.2	100.00	1410.5	85.5	18247.4	102.5	4858.3	98.7
Quarter III 2016	39749.3	106.3	34143.8	107.1	8202.8	124.2	4647.6	101.2	1463.3	97.2	19099.6	101.3	5605.5	101.7
Quarter IV 2016	36196.0	106.5	30793.2	107.6	5122.2	117.6	5506.9	106.2	817.3	99.8	19346.8	105.5	5402.8	100.1
Trimestrul I 2017	29669.65	103.1	24685.63	103.7	990.94	101.8	4685.5	101.2	834.96	102.7	18174.2	103.7	4984.02	100.1
Quarter II 2017	34251.17	102.5	28336.6	101.1	2140.64	93.1	5091.95	100	1592.77	105.5	19511.2	102.1	5914.57	110
Quarter III 2017	45523.5	105.4	38896.8	104.6	9241.1	106.0	6100.4	104.9	1625.5	104.0	21929.8	102.1	6626.7	110.1
Quarter IV 2017	40925.0	106.4	34521.9	105.3	5985.0	118.5	6074.3	105.1	875.3	104.3	21587.3	101.7	6403.0	113.3
Quarter I 2018	37608.54	103.7	32238.71	103.6	1115.93	100.0	6467.87	104.6	2230.05	103.5	22424.86	103.6	5369.83	104.0
Quarter II 2018	44166.31	105.2	37965114	104.9	2587.0	105.0	6856.59	109.3	4595.41	108.0	23926.1	114.5	6201.2	102.2

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

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	in %	
2011	82348.7	106.8	106.3	68390	106.3	105.2	10095	105.2	110.2	11518	110.2	2720	101.9	45831	101.3	13959	109.6					
2012	88227.8	99.3	99	73686	99	79.9	9896	79.9	100.8	12314	100.8	3041	101.8	50178	103.2	14542	100.8					
2013	100510.5	109.4	110.2	83719	110.2	146.6	12383	146.6	107.6	14328	107.6	3373	105.3	55346	103.9	16791	105.1					
2014	111757.4	104.6	105.2	94228.3	105.2	108.2	14111.8	108.2	107.2	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	99.6	86.6	14267.8	86.6	103.4	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	104.8	118.2	16409.4	118.2	102.1	20254.2	102.1	4388.4	93.3	73479.6	102.2	19945.0	100.6					
2017	150369.3	104.5	103.8	126440.9	103.8	107.9	18357.6	107.9	103.0	21952.2	103.0	4928.6	104.3	81202.6	102.4	23928.3	108.6					
Quarter I 2015	24423.2	104.8	105.2	20473.7	105.2	104.4	914.7	104.4	107.9	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	102.7	102.7	2064.6	102.7	104.6	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	96.1	82.6	6484.8	82.6	102.5	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	96.9	81.7	4803.7	81.7	98.1	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	100.6	105.1	1005.9	105.1	101.14	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	102.4	104.1	2078.4	104.1	100.00	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	107.1	124.2	8202.8	124.2	101.2	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	107.6	117.6	5122.2	117.6	106.2	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	103.7	101.8	990.94	101.8	101.2	4685.5	101.2	834.96	102.7	18174.2	103.7	4984.02	100.1					
Quarter II 2017	34251.17	102.5	101.1	28336.6	101.1	93.1	2140.64	93.1	100	5091.95	100	1592.77	105.5	19511.2	102.1	5914.57	110					
Quarter III 2017	45523.5	105.4	104.6	38896.8	104.6	106.0	9241.1	106.0	104.9	6100.4	104.9	1625.5	104.0	21929.8	102.1	6626.7	110.1					
Quarter IV 2017	40925.0	106.4	105.3	34521.9	105.3	118.5	5985.0	118.5	105.1	6074.3	105.1	875.3	104.3	21587.3	101.7	6403.0	113.3					
Quarter I 2018	37608.54	103.7	103.6	32238.71	103.6	100.0	1115.93	100.0	104.6	6467.87	104.6	2230.05	103.5	22424.86	103.6	5369.83	104.0					
Quarter II 2018	44166.31	105.2	104.9	37965114	104.9	105.0	2587.0	105.0	109.3	6856.59	109.3	4595.41	108.0	23926.1	114.5	6201.2	102.2					

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

CONSUMER PRICES				
	Growth rate of CPI, % (compared to the same period of previous year)	Growth rate of food prices, % (compared to the same period of previous year)	Growth rate of non-food prices, % (compared to the same period of previous year)	Growth rate of prices for services, % (compared to the same period of previous year)
2013	4.6	6.6	4.3	2.6
2014	5.1	6.5	5.5	2.5
2015	9.7	9.8	11.8	6.2
2016	6.4	7.4	6.3	4.9
2017	6.6	7.9	4.5	7.1
Q I 2016	11.0	12.2	10.0	10.5
Q II 2016	7.9	8.3	7.1	7.7
Q III 2016	4.5	6.2	5.0	2.1
Q IV 2016	2.5	3.2	3.5	0.2
Q I 2017	4.3	4.5	4.7	3.1
Q II 2017	7.1	8.4	4.9	8.2
Q III 2017	7.4	8.9	4.4	8.7
Q IV 2017	7.5	10.0	4.1	8.2
Q I 2018	5.2	8.4	2.9	3.2
Q II 2018	3.2	5.4	2.8	0.3

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

CONSUMER PRICES				
	Growth rate of CPI, % (compared to the same period of previous year)	Growth rate of food prices, % (compared to the same period of previous year)	Growth rate of non-food prices, % (compared to the same period of previous year)	Growth rate of prices for services, %, (compared to the same period of previous year)
January 2016	13.4	14.6	13.3	11.3
February 2016	10.3	11.8	8.8	10.0
March 2016	9.4	10.1	7.9	10.1
April 2016	8.3	9.3	7.2	7.8
May 2016	7.9	8.1	7.3	7.7
June 2016	7.4	7.6	6.9	7.6
July 2016	7	7.9	5.9	7.4
August 2016	3.6	6.2	4.5	-0.4
September 2016	3	4.6	4.6	-0.8
October 2016	2.5	3.5	3.9	-0.5
November 2016	2.6	3.2	3.5	0.6
December 2016	2.4	2.8	3.2	0.5
January 2017	3	3.8	3.9	0.3
February 2017	4.7	4.8	5.1	3.9
March 2017	5.1	5	5.2	5.1
April 2017	6.6	7	5.5	7.5
May 2017	7.4	9.1	5	8.1
June 2017	7.3	9	4.2	8.9
July 2017	7.3	8.9	4.2	8.8
August 2017	7.3	8.4	4.9	8.6
September 2017	7.6	9.4	4.2	9.2
October 2017	7.9	10.6	4	8.7
November 2017	7.3	9.6	4.2	7.9
December 2017	7.3	9.7	4.1	7.9
January 2018	6.0	8.4	3.4	5.4
February 2018	5.0	8.1	2.8	3.0
March 2018	4.7	8.8	2.4	1.3
April 2018	3.7	6.8	2.4	0.4
May 2018	2.8	4.2	2.7	0.4
June 2018	3.2	5.1	3.3	0.1
July 2018	3	5.5	3.4	-1.7
August 2018	3.2	6.9	2.7	-1.9

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

INDUSTRIAL PRODUCER PRICES

	Growth rate of IPPI, % (compared to the same period of previous year)	Growth rate of prices in mining industry, % (compared to the same period of previous year)	Growth rate of prices in manufacturing industry, % (compared to the same period of previous year)	Growth rate of prices in energy sector, % (compared to the same period of previous year)	Growth rate of prices in constructions, % (compared to the same period of previous year)	Growth rate of prices for agricultural products, % (compared to the same period of previous year)
2013	3.2/3.3*	1.6/1.6*	3.8/3.8*	-0.4/-0.4*	8.3	-22.2
2014	5.5*	3.9*	6.5*	-1.4*	8.2	6.6
2015	6.3	4.4	6.8	2.8	8.0	22.5
2016	4.5	2.8	4.3	6.2	8.6	-3.4
2017	3.3	2.5	3.0	6.8	4.6	-1.1
Q I 2016	6.7	3.3	6.2	10.7	9.1	-0.4
Q II 2016	5.2	3.1	5.1	6.6	7.6	7.8
Q III 2016	3.5	2.7	3.5	3.6	8.7	-7.5
Q IV 2016	2.8	2.1	2.6	4.4	8.9	-4.8
Q I 2017	2.9	1.3	3.2	1.4	9.5	0.8
Q II 2017	3.6	1.9	3.1	8.7	7.3	-1.1
Q III 2017	3.9	3.9	3.2	11.5	6.3	1.2
Q IV 2017	2.9	3.0	2.6	6.1	7	-5.2
Q I 2018	1.5	3.8	1.2	5.1	7.2	-8.5
Q II 2018	0.5	2.0	0.3	2.9	2.1	-4.6

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

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

INDUSTRIAL PRODUCER PRICES

	Growth rate of IPPI, % (compared to the same period of previous year)	Growth rate of prices in mining industry, % (compared to the same period of previous year)	Growth rate of prices in manufacturing industry, % (compared to the same period of previous year)	Growth rate of prices in energy sector, % (compared to the same period of previous year)
January 2016	8.2	4.2	8.1	9.7
February 2016	6.2	3.6	5.6	11.1
March 2016	5.6	2.2	4.9	11.4
April 2016	5.1	3.0	5.0	6.6
May 2016	5.4	3.1	5.3	6.6
June 2016	5.2	3.3	5.1	6.6
July 2016	4.9	2.5	4.7	6.7
August 2016	2.5	2.5	3.2	-2.6
September 2016	3.1	3	2.7	6.7
October 2016	3.1	1.9	2.5	9
November 2016	2.4	2.7	2.3	2.4
December 2016	2.8	1.8	2.9	1.8
January 2017	3	0.9	3.1	1.8
February 2017	2.6	0.8	2.9	1.8
March 2017	3.2	2.2	3.5	0.5
April 2017	3.5	1.3	3.2	5.8
May 2017	3.6	1.1	3.1	8.3
June 2017	3.7	3.2	2.9	12
July 2017	3.8	3.6	3.1	12
August 2017	4	4.4	3.2	12
September 2017	3.9	3.6	3.2	10.5
October 2017	3.4	2.6	3	8.2
November 2017	3.1	2.7	2.9	5.1
December 2017	2.3	3.8	2	5
January 2018	1.9	3.1	1.6	5.2
February 2018	1.7	4.3	1.4	5.2
March 2018	1.0	4.1	0.6	5
April 2018	1.0	3.2	0.6	4.8
May 2018	0.3	1.9	0	2.9
June 2018	0.2	0.8	0.2	0.9
July 2018	-0.1	1.5	-0.2	0.6

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

EXCHANGE RATE							
	MDL/USD nominal exchange rate	MDL/EUR nominal exchange rate	Growth rate of MDL/USD nominal exchange rate, % (compared to the same period of previous year)	Growth rate of MDL/EUR nominal exchange rate, % (compared to the same period of previous year)	Growth rate of MDL/USD real exchange rate, % (compared to the same period of previous year)	Growth rate of MDL/EUR real exchange rate, % (compared to the same period of previous year)	
2013	12.6	16.7	3.9	7.4	1.5	4.3	
2014	14.0	18.6	11.1	11.4	6.2	6.6	
2015	18.8	20.9	34.3	12.4	19.7	2.2	
2016	19.9	22.1	5.3	5.7	0.7	-0.6	
2017	18.5	20.8	-6.6	-5.8	-11.2	-1.0	
Q I 2016	20.1	22.1	11.4	8.8	1.0	-2.0	
Q II 2016	19.8	22.4	9.2	11.5	1.4	3.3	
Q III 2016	19.8	22.1	2.1	2.3	-1.5	0.2	
Q IV 2016	20.0	21.6	0.7	-0.7	-1.4	-2.6	
Q I 2017	20.0	21.2	-0.6	-0.4	-2.6	-6.4	
Q II 2017	18.8	20.6	-5.3	-7.9	-10.2	-12.6	
Q III 2017	17.9	21.0	-9.5	-4.9	-14.2	-10.0	
Q IV 2017	17.4	20.5	-13.3	-5.5	-17.6	-10.5	
Q I 2018	16.7	20.6	-16.1	-3.2	-13.8	-6.5	
Q II 2018	16.7	19.9	-11.2	-3.4	-11.6	-4.8	

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

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

MONETARY POLICY							
	Base rate, %	NBC, mln. MDL (average daily balance)	Interest rate on overnight loans, %	Overnight loans, mln. MDL (average daily balance)	Interest rate on overnight deposits, %	Overnight deposits, mln. MDL (average daily balance)	Ratio of required reserves attracted in MDL, %
January 2016	19.5	1195.2	22.5	16.0	16.5	474.1	35
February 2016	19.5/19.0	1336.1	22.5/22.0	0	15.5/16.0	320.1	35
March 2016	19.0	1406.0	22.0/20.0	0	16.0/14.0	334.8	35
April 2016	17.0	1299.9	20.0/18.0	0	14.0/12.0	406.0	35
May 2016	15.0	2532.4	18.0/16.0	5.2	12.0/10.0	666.4	35
June 2016	13.0	2489.4	16.0	1.0	10.0	535.4	35
July 2016	10.0	3053.6	16.0/13.0	0	10.0/7.0	538.7	35
August 2016	10.0	3414.3	13.0	0	7.0	739.9	35
September 2016	10	4347.2	13.0/12.5	0	7.0/6.5	823.5	35
October 2016	9.5	4430.1	12.5/12.0	0	6.5/6.0	870.9	35
November 2016	9.0	4680.9	12.0	0	6.0	938.9	35
December 2016	9.0	5249.5	12.0	0	6.0	990.2	35
January 2017	9.0	6358.3	12.0	0	6.0	1146.0	35
February 2017	9.0	6794.0	12.0	0	6.0	1022.8	35
March 2017	9.0	6992.4	12.0	0	6.0	1053.1	35
April 2017	9.0	5781.8	12.0	8.2	6.0	1105.7	37
May 2017	9.0	5099.0	12.0	0	6.0	1126.5	40
June 2017	9.0	5792.6	12.0	0	6.0	1092.1	40
July 2017	8.0	6081.8	11.0	0	5.0	1127.6	40
August 2017	8.0	6300.2	11.0	0	5.0	1095.2	40
September 2017	7.5	6286.6	10.5	0	4.5	1086.9	40
October 2017	7.5/7	6172.3	10.5/10	0	4.5/4	1071.9	40
November 2017	7.0	6945.8	10.0	0	4.0	1075.4	40
December 2017	6.5	7713.9	9.5	3.6	3.5	693.1	40
January 2018	6.5	8842.0	9.5	0	3.5	733.3	40
February 2018	6.5	9043.2	9.5	0	3.5	633.6	40
March 2018	6.5		9.5	11	3.5	898.8	40
April 2018	6.5	7916.9	9.5	0	3.5	832	40
May 2018	6.5	8364.1	9.5	0	3.5	806.5	40
June 2018	6.5	8533.3	9.5	0	3.5	840.4	40
July 2018	6.5	8898	9.5	0	3.5	484.9	40
August 2018	6.5	8947.3	9.5	0	3.5	270	40

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

MONETARY POLICY							
	Base rate, %	NBC, mln. MDL (average daily balance)	Interest rate on overnight loans, %	Overnight loans, mln. MDL (average daily balance)	Interest rate on overnight deposits, %	Overnight deposits, mln. MDL (average daily balance)	Ratio of required reserves attracted in MDL, %
January 2016	19.5	1195.2	22.5	16.0	16.5	474.1	35
February 2016	19.5/19.0	1336.1	22.5/22.0	0	15.5/16.0	320.1	35
March 2016	19.0	1406.0	22.0/20.0	0	16.0/14.0	334.8	35
April 2016	17.0	1299.9	20.0/18.0	0	14.0/12.0	406.0	35
May 2016	15.0	2532.4	18.0/16.0	5.2	12.0/10.0	666.4	35
June 2016	13.0	2489.4	16.0	1.0	10.0	535.4	35
July 2016	10.0	3053.6	16.0/13.0	0	10.0/7.0	538.7	35
August 2016	10.0	3414.3	13.0	0	7.0	739.9	35
September 2016	10	4347.2	13.0/12.5	0	7.0/6.5	823.5	35
October 2016	9.5	4430.1	12.5/12.0	0	6.5/6.0	870.9	35
November 2016	9.0	4680.9	12.0	0	6.0	938.9	35
December 2016	9.0	5249.5	12.0	0	6.0	990.2	35
January 2017	9.0	6358.3	12.0	0	6.0	1146.0	35
February 2017	9.0	6794.0	12.0	0	6.0	1022.8	35
March 2017	9.0	6992.4	12.0	0	6.0	1053.1	35
April 2017	9.0	5781.8	12.0	8.2	6.0	1105.7	37
May 2017	9.0	5099.0	12.0	0	6.0	1126.5	40
June 2017	9.0	5792.6	12.0	0	6.0	1092.1	40
July 2017	8.0	6081.8	11.0	0	5.0	1127.6	40
August 2017	8.0	6300.2	11.0	0	5.0	1095.2	40
September 2017	7.5	6286.6	10.5	0	4.5	1086.9	40
October 2017	7.5/7	6172.3	10.5/10	0	4.5/4	1071.9	40
November 2017	7.0	6945.8	10.0	0	4.0	1075.4	40
December 2017	6.5	7713.9	9.5	3.6	3.5	693.1	40
January 2018	6.5	8842.0	9.5	0	3.5	733.3	40
February 2018	6.5	9043.2	9.5	0	3.5	633.6	40
March 2018	6.5	9076.5	9.5	11	3.5	898.8	40
April 2018	6.5	7916.9	9.5	0	3.5	832	40
May 2018	6.5	8364.1	9.5	0	3.5	806.5	40
June 2018	6.5	8533.3	9.5	0	3.5	840.4	40
July 2018	6.5	8898	9.5	0	3.5	484.9	40
August 2018	6.5	8947.3	9.5	0	3.5	270	40

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

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)	
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	
Trimestrul II 2016	21031.3	1.2	21709.4	1.1	678.1	
Quarter III 2016	32470.3	1.8	33516.0	2.5	1045.7	
Quarter IV 2016	45946.9	2.4	48434	2.8	3 298.5	
Quarter I 2017	11 993.2	20.8	12 260.7	24.7	678.8	
Quarter II 2017	24 909.2	18.5	25 010.7	15.2	101.5	
Quarter III 2017	38425.5	18.3	37 263.4	11.2	-1162.1	
Quarter IV 2017	53 379.4	16.2	54 524.1	12.5	1 144.7	
Quarter I 2018	13248.8	10.8	12153.7	-0.9	-1131.1	
Quarter II 2018	27776.9	11.5	26884.4	7.5	-892.5	

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

PUBLIC FINANCES									
Period	NPB revenues, MDL million	Increase on NPB revenues, % (compared to the previous period)	NPB expenditures, MDL million	Increase on NPB expenditures, % (compared to the previous period)	Sources of financing of NPB, MDL million (balance at the end of period)	Public debt, MDL million	Internal public debt by maturity, MDL million	External public debt by maturity, MDL million	
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	-1.3	-96.9	34897.1	7439.7	27457.4	
February 2016	5567.4	2.2	6042.5	-4.4	475.1	34626.1	7884.8	26741.2	
March 2016	9916.9	-2.5	9826.4	-0.04	-90.5	34794.7	8184.5	26610.2	
April 2016	13579.6	0.2	14042.1	2.2	462.5	35356.5	8406.9	26949.6	
May 2016	17018.1	1.9	17715.0	2.7	696.9	35556.3	8420.8	27135.5	
June 2016	21031.3	1.2	21709.4	1.1	678.1	35596.4	8530.4	27066.0	
July 2016	24620.9	-0.01	25780.9	0.7	1160.0	35580.1	8741.0	26839.1	
August 2016	28354.7	-1.19	29619.5	1.50	1264.8	37380.32	8615.9	28764.40	
September 2016	32470.3	2.04	33516.0	2.54	1045.7	37207.89	8526.81	28681.08	
October 2016	36297.5	2.34	37921.7	2.90	1624.7	50343.66	21784.05	28559.61	
November 2016	40172.5	2.44	42311.7	4.30	2139.2	50585.34	21695.67	28889.67	
December 2016	45946.9	5.24	48434	4.40	3 298.5	59371.9	23827.2	35544.7	
January 2017	3 328.6	29.1	3 545.3	42.8	216.7	51 076.5	21 364.8	29 711.7	
February 2017	6 878.0	23.4 %	7 690.4	27.2 %	812.4	51 853.9	21 382.2	30 471.7	
March 2017	11 993.2	20.8 %	12 260.7	24.7 %	678.8	51 649.2	21 793.4	29 855.8	
April 2017	15 851.1	16.7 %	16 310.5	16.1 %	495.4	51 537.0	21 586.4	29 950.6	
May 2017	19 963.9	17.3 %	20 382.9	15.0 %	419.0	50 416.2	21 577.5	28 838.7	
June 2017	24 909.2	18.5 %	25 010.7	15.2 %	101.5	50 657.3	21 526.6	29 130.7	
July 2017	29198.3	18.6 %	29203.2	13.3 %	4.9	50963.3	21536.8	29426.4	
August 2017	33599.1	18.5 %	33267.1	12.3	332	50963.3	21641.6	29258.1	
September 2017	38425.5	18.3 %	37263.4	11.2 %	-1162.1	51209.2	21911.9	29297.3	
October 2017	42 890.8	18.2 %	42 307.4	11.6	-583.4	50 874.4	22 153.6	28 720.8	
November 2017	47 190.4	17.5	47 069.7	11.2	-120.7	51 206.4	22 367.1	28 839.3	
December 2017	53 379.4	16.2	54 524.1	12.5	1 144.7	51 660.3	22 578.5	29 081.8	
January 2018	3889.1	16.8	3352.5	4.5	536.6	51779.0	22621.1	29157.9	
February 2018	7764.9	12.8	7714.7	0.3	50.2	51299.2	22743.6	28555.6	
March 2018	13248.8	10.8	12153.7	-0.9	-1131.1	50950.8	22826.9	22578.5	
April 2018	17 602.1	11.1	16905.5	3.7	-696.6	5143.6	22 872.6	27974.52	
May 2018	22380.6	12.1	21458.1	5.3	-922.5	5143.6	22 788.52	28047.19	
June 2018	27 776.9	11.5	26 884.4	7.5	-892.5	50927.0	22 798.33	28128.72	

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

EXTERNAL SECTOR: INVESTMENT AND REMITTANCES						
Period	Share capital	Reinvested revenue	Other capital	Worker's compensation	Personal remittances	
2012	144.6	-11.0	61.5	1010.0	976.5	
2013	160.3	19.2	63.2	1118.1	1073.6	
2014	165.5	33.1	1.9	1068.2	1015.4	
2015	73.9	159.6	-	799.5	753.9	
2016	66.2	96.18	25.1	713.5	750.4	
2017						
Quarter I 2012	39.1	3.6	-3.9	194.9	196.6	
Quarter II 2012	56.5	-4.1	-2.0	255.9	236.0	
Quarter III 2012	-4.2	1.7	46.3	281.2	265.3	
Quarter IV 2012	53.1	-12.2	21.0	278.0	278.6	
Quarter I 2013	49.1	14.5	1.9	214.5	221.4	
Quarter II 2013	22.7	20.4	25.3	284.1	254.6	
Quarter III 2013	34.9	9.0	13.5	311.7	295.2	
Quarter IV 2013	53.6	-24.7	22.6	307.8	302.4	
Quarter I 2014	37.2	13.9	-21.4	214.7	215.7	
Quarter II 2014	71.4	8.0	-19.4	295.9	271.6	
Quarter III 2014	15.7	39.6	17.8	309.3	298.8	
Quarter IV 2014	41.2	-28.5	24.9	248.4	229.4	
Quarter I 2015	20.5	41.9	13.1	174.7	168.1	
Quarter II 2015	17.4	82.2	4.6	211.2	200.6	
Quarter III 2015	13.9	15.0	-18.0	207.3	192.0	
Quarter IV 2015	18.5	20.5	-	191.7	191.3	
Quarter I 2016	16.4	24.66	16.0	148.4	166.13	
Quarter II 2016	9.6	15.6	2.6	186.2	194.5	
Quarter III 2016	16.25	57.9	10.37	185.78	190.9	
Quarter IV 2016	33.33	-7.23	25.06	200.06	198.9	
Quarter I 2017	6.74	33.05	28.47	176.35	176.4	
Quarter II 2017	4.24	16.36	30.24	214.61	199.6	
Quarter III 2017	14.6	43.58	37.81	225.67	213.4	

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

EXTERNAL SECTOR: FOREIGN TRADE											
Source	Total foreign trade, mln.USD	Goods		Services		Export		Import		Services	
		Goods	Services	Goods	Services	Goods	Services	Goods	Services	Goods	Services
2000	1613.2	1247.1	366.2	641.4	476.8	164.6	971.9	770.3	201.6		
2001	1824.0	1444.3	379.7	735.5	564.6	170.9	1088.5	879.7	208.8		
2002	2170.8	1697.2	473.6	876.4	659.7	216.7	1294.5	1037.5	257.0		
2003	2777.4	2233.2	544.2	1055.0	805.1	249.9	1722.4	1428.1	294.3		
2004	3427.4	2742.3	685.1	1326.2	994.1	332.1	2101.3	1748.2	353.1		
2005	4219.3	3400.7	818.6	1503.5	1104.6	398.9	2715.8	2296.1	419.7		
2006	4659.1	3704.3	954.7	1527.9	1060.8	467.1	3131.2	2643.5	487.6		
2007	6323.3	5044.8	1278.5	2001.8	1373.3	628.4	4321.5	3671.4	650.1		
2008	8198.8	6517.8	1681.0	2489.8	1645.9	843.9	5709.0	4871.9	837.1		
2009	5988.6	4602.7	1386.0	2000.0	1326.9	673.1	3988.6	3275.7	712.9		
2010	6784.5	5400.3	1384.2	2270.8	1590.4	680.4	4513.7	3809.9	703.8		
2011	9115.4	7424.9	1690.5	3138.7	2277.8	860.9	5976.7	5147.1	829.5		
2012	9176.2	7381.3	1794.9	3130.6	2228.5	902.0	6045.6	5152.7	892.9		
2013	9874.7	7914.8	1959.9	3453.9	2466.2	987.8	6420.8	5448.6	972.2		
2014	8798.0	6663.2	2134.8	2933.1	1805.5	1127.6	5864.9	4857.7	1007.2		
2015	6907.8	5102.1	1805.7	2481.8	1507.0	974.8	4426.0	3595.1	830.9		
2016	7033.6	5151.3	1882.3	2594.5	1547.4	1047.1	4439.1	3603.9	835.2		
2017	8474.5	6284.4	2190.1	3110.4	1857.7	1252.7	5364.1	4426.7	937.4		

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

EXTERNAL SECTOR: FOREIGN TRADE IN GOODS														
Period	Value of external trade in goods, mln. USD				Exports, mln. USD				Imports, mln. USD				Net export, mln. USD	Degree of imports coverage by exports, %
	Value of external trade in goods, mln. USD				Exports, mln. USD				Imports, mln. USD					
	Total	CIS	EU	Other countries	Total	CIS	EU	Other countries	Total	CIS	EU	Other countries		
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 2012	1708.8	655.1	720.4	333.3	504.6	201.1	252.2	51.3	1204.2	454.0	468.2	282.0	-699.6	41.9
Quarter II 2012	1793.5	572.0	853.0	368.5	537.0	227.2	255.8	54.0	1256.5	344.8	597.2	314.5	-719.5	42.7
Quarter III 2012	1779.6	609.9	799.4	370.3	506.7	238.9	213.1	54.7	1272.9	371.0	586.3	315.6	-766.2	39.8
Quarter IV 2012	2092.8	714.8	959.2	418.8	613.5	260.9	292.3	60.3	1479.3	453.9	666.9	358.5	-865.8	41.5
Quarter I 2013	1832.4	673.2	773.8	385.4	589.7	246.3	260.3	83.1	1242.7	426.9	513.5	302.3	-653.0	47.5
Quarter II 2013	1897.8	592.1	881.7	424.0	546.6	208.3	251.1	87.2	1351.2	383.8	630.6	336.8	-804.6	40.5
Quarter III 2013	1981.0	631.7	907.3	442.0	604.8	234.4	275.8	94.6	1376.2	397.3	631.5	347.4	-771.4	43.9
Quarter IV 2013	2209.5	698.5	1046.6	464.4	687.2	234.2	350.1	102.9	1522.3	464.3	696.5	361.5	-835.1	45.1
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
Quarter III 2017	1880.9	427.2	964.4	398.3	623.6	119.5	414.5	89.6	1257.3	307.7	549.9	308.7	-633.7	49.6
Quarter IV 2017	2166.2	482	1205.8	478.4	773.5	126.5	503.4	116.6	1392.7	355.5	675.4	361.8	-619.2	55.5
Quarter I 2018	2004.4	445.3	1098.6	459.5	678.2	113.7	454.7	109.8	1326.2	332.6	643.9	349.7	-648	51.1
Quarter II 2018	2045.9	399.4	1198.6	447.9	637	94.6	446.1	96.3	1408.9	304.8	752.5	351.6	-771.9	45.2

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

EXTERNAL SECTOR: FOREIGN TRADE IN GOODS

Period	Value of external trade in goods, mln. USD				Value of export, mln. USD				Value of import, mln. USD				Net export, mln. USD	Degree of imports coverage by exports, %
	Total		Other countries		Total		Other countries		Total		Other countries			
	CIS	EU	EU	Other countries	CIS	EU	EU	Other countries	CIS	EU	EU	Other countries		
2010	18.3	15.2	16.5	28.8	20.1	27.2	9.2	50.5	17.6	10.1	19.9	25.0	16.0	102.2
2011	37.3	40.0	37.2	32.6	43.8	47.3	48.6	13.7	34.7	36.3	32.4	36.6	28.6	106.8
2012	-0.5	-3.1	-0.2	3.8	-2.5	1.0	-6.4	2.7	0.4	-5.2	2.8	4.0	2.6	97.1
2013	7.4	1.7	8.3	15.1	12.3	-0.5	12.2	67.0	5.4	3.0	6.6	6.1	0.4	106.6
2014	-3.3	-15.8	5.7	-3.4	-3.7	-20.3	9.6	-2.7	-3.2	-13.3	3.9	-3.6	-2.8	99.5
2015	-22.2	-30.9	-16.8	-23.3	-15.9	-33.1	-2.3	-28.2	-2.5	-29.8	-23.9	-2.2	-32.2	112
2016	1.9	-4.6	4.2	3.6	3.9	-15.9	9.4	16.2	0.8	0.9	1.0	0.5	-2.3	103
2017														
Quarter I 2012	8.7	11.6	5.3	10.9	6.5	14.3	5.6	-12.9	9.7	10.4	5.1	16.7	12.0	97.2
Quarter II 2012	-0.3	-1.2	-1.5	4.4	2.9	6.8	0.3	-0.2	-1.5	-5.9	-2.2	5.3	-4.6	104.5
Quarter III 2012	-4.8	-6.4	-7.3	4.5	-7.8	0.5	-22.8	54.5	-3.5	-10.4	0.0	-1.0	-0.5	95.6
Quarter IV 2012	-3.5	-12.3	3.5	-2.2	-8.7	-10.9	-6.6	-8.8	-1.2	-13.0	8.7	-1.0	4.9	92.4
Quarter I 2013	7.2	2.8	7.4	15.6	16.9	22.5	3.2	62.0	3.2	-6.0	9.7	7.2	-6.7	113.2
Quarter II 2013	5.8	3.5	3.4	15.1	1.8	-8.3	-1.8	61.5	7.5	11.3	5.6	7.1	11.8	94.7
Quarter III 2013	11.3	3.6	13.5	19.4	19.4	-1.9	29.4	72.9	8.1	7.1	7.7	10.1	0.7	110.4
Quarter IV 2013	5.6	-2.3	9.1	10.9	12.0	-10.2	19.8	70.6	2.9	2.3	4.4	0.8	-3.5	108.8
Quarter I 2014	-2.2	-16.1	12.2	-7.1	-2.8	-26.6	22.5	-11.8	-2.0	-10.0	6.9	-5.8	-1.2	99.1
Quarter II 2014	1.6	-11.6	12.9	-3.5	9.6	-1.8	20.2	6.4	-1.7	-16.9	10.0	-6.1	-9.3	111.5
Quarter III 2014	-4.9	-17.7	5.2	-7.3	-6.5	-21.4	3.0	2.4	-4.2	-15.5	6.1	-9.9	-2.3	97.5
Quarter IV 2014	-7.1	-17.5	-4.8	3.6	-12.4	-29.1	-2.5	-7.9	-4.7	-11.6	-6.0	6.8	1.7	91.9
Quarter I 2015	-18.3	-30.3	-13.2	-11.5	-14.8	-42.5	0.3	-12.6	-19.9	-24.5	-21.1	-11.2	-24.3	106.4
Quarter II 2015	-21.5	-32.2	-16.1	-32.9	-15.8	-32.8	1.4	-34.1	-24.1	-31.9	-23.8	-16.9	-30.9	110.9
Quarter III 2015	-24.0	-30.6	-19.0	-27.0	-19.4	-32.1	-3.8	-41.5	-25.9	-29.8	-25.5	-22.6	-30.8	108.6
Quarter IV 2015	-24.8	-21.5	-19.6	-31.1	-13.8	-24.4	-6.4	-21	-29.4	-32.9	-24.8	-33.5	-41.5	122.4
Quarter I 2016	-10.8	-14.9	-8.1	-12.2	-14.6	-18.3	-16.9	2.9	-8.9	-13.7	-1.6	-16.1	-3.3	93.8
Quarter II 2016	-1.2	-8.4	-0.4	2.3	-3.2	-25.4	0.6	2.7	-0.2	2.2	-1	-0.5	2.9	97.9
Quarter III 2016	8.4	2.5	10.4	10.6	15.8	-9.5	24.9	28.7	5.0	8.9	2.9	6.4	-4.3	110.0
Quarter IV 2016	11.8	11.2	12.0	11.8	16.2	1	26.6	11.5	9.6	16.3	5.1	11.8	-2.6	106
Quarter I 2017	19.3	12.5	19.2	27.6	26.6	20.4	26.4	31.2	19.7	8.4	23.2	26.5	-6.4	109.4
Quarter II 2017	10.3	17.7	8	8.9	2.3	7.9	2.8	-7.2	14.2	22.3	14.1	13.7	-25.4	89.6
Quarter III 2017	25.7	15.5	13	20.4	18.3	5.5	21.6	22.7	22.4	19.9	7.3	19.7	-26.8	96.7
Quarter IV 2017	24.7	17.1	26	29.4	26.3	11.7	20.5	43.2	23.8	19.2	25.4	25.5	-20.8	-
Quarter I 2018	28.6	17.9	32.9	29.4	28.4	7.3	35.5	26.8	28.7	22.5	31.2	30.2	28.9	99.8
Quarter II 2018	23.9	4.5	33.3	21.1	27.4	-14.7	40.9	32.6	22.4	12.3	29.3	18.3	-18.6	-

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

EXTERNAL SECTOR: INDICES OF TRADE IN GOODS						
Period	Value indices of exported goods (the same period of the previous year=100), %	Value indices of imported goods (the same period of the previous year=100), %	Unit value indices of exported goods (the same period of the previous year=100), %	Unit value indices of imported goods (the same period of the previous year=100), %	Volume indices of exported goods (the same period of the previous year=100), %	Volume indices of imported goods (the same period of the previous year=100), %
2012	97.5	100.4	97.0	99.0	101.0	101.0
2013	112.3	105.4	98.0	99.0	113.0	106.0
2014	96.3	96.8	94.0	96.0	102.0	101.0
2015	84.1	75.1	83.0	78.5	101.5	95.8
2016	104	101.5	96.2	68.8	108.3	108.4
2017	118.5	116.4	104.6	104.7	113.4	114.7
Quarter I 2012	106.7	109.7	98.0	103.0	109.0	106.0
Quarter II 2012	102.9	98.5	95.0	96.0	108.0	103.0
Quarter III 2012	92.2	96.5	94.0	95.0	98.0	102.0
Quarter IV 2012	91.3	98.8	99.0	100.0	92.0	99.0
Quarter I 2013	115.4	103.2	102.0	100.0	113.0	103.0
Quarter II 2013	100.4	107.5	99.0	98.0	101.0	110.0
Quarter III 2013	119.4	108.1	97.0	100.0	122.0	108.0
Quarter IV 2013	112.0	102.9	92.0	98.0	120.0	105.0
Quarter I 2014	97.2	98.0	97.2	98.0	106.0	100.0
Quarter II 2014	109.6	98.3	97.0	100.0	113.0	98.0
Quarter III 2014	93.5	95.8	95.0	97.0	98.0	99.0
Quarter IV 2014	88.1	92.3	89.0	92.0	100.0	104.0
Quarter I 2015	85.2	80.1	80.0	79.0	106.0	101.0
Quarter II 2015	84.2	75.9	79.0	79.0	107.0	96.0
Quarter III 2015	80.6	74.1	84.0	78.0	96.0	95.0
Quarter IV 2015	86.3	70.6	89.0	78.0	97.0	91.0
Quarter I 2016	85.5	91.1	95.0	88.0	90.0	104.0
Quarter II 2016	96.6	99.9	98.0	93.0	99.0	107.0
Quarter III 2016	115.9	105.1	95.9	94.2	120.9	111.5
Quarter IV 2016	118.0	109.8	95.7	98.9	123.3	111.1
Quarter I 2017	126.8	119.7	99.4	99.7	127.6	120.1
Quarter II 2017	102.3	114.3	97.4	100.8	105	113.3
Quarter III 2017	118.3	107.9	107.7	107.9	109.8	113.4
Quarter IV 2017	126.4	123.8	113.9	110.5	111	112
Quarter I 2018	128.4	128.7	111.5	115	115.1	111.9
Quarter II 2018	127.4	122.4	11.4	112.1	114.4	109.2

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

EXTERNAL SECTOR													
	Value of exports, mln. USD												
	Q1/15	Q2/15	Q3/15	Q4/15	Q1/16	Q2/16	Q3/16	Q4/16	Q1/17	Q2/17	Q3/17	Q4/17	Q1/18
Total export	488.0	504.8	455.4	519.2	417.2	488.8	527.3	612.7	528.2	500.0	623.6	773.6	678.2
Agri-food products	243.6	233.2	177.6	131.5	176.1	205.8	230.6	329.4	238.7	191.4	282.6	418.2	318.0
Fruits and vegetables	70.9	59.6	42.7	81.0	41.5	34.1	32.8	61.4	48.8	25.4	43.8	112.6	70.97
Cereals	38.4	29.1	37.7	23.5	14.2	37.7	70.3	43.1	32.9	20.5	76.4	53.2	51.2
Oil seeds	51.4	52.0	26.1	47.9	36.3	49.6	33.4	82.7	58.3	44.9	54.3	85.2	74.9
Beverages	33.1	35.1	40.1	46.5	35.5	42.8	45.8	43.0	41.8	49.1	52.5	62	54.1
Oils	22.7	25.7	1.2	22.4	13.3	11.5	1.4	28.0	13.2	11.7	1.2	27.7	24.5
Minerals	2.2	2.5	3.8	1.6	2.2	2.9	4.3	4.5	6.0	6.0	8.5	8.3	6
Electrical equipment and machinery	57.8	62.0	59.5	56.2	53.0	62.7	66.4	69.2	70.2	80.4	90.4	105.4	108.9
Clothing	51.0	61.9	62.1	54.5	54.8	61.8	67.0	59.3	61.6	63.7	73.5	76.2	78.5
Drugs	13.4	21.4	17.5	23.9	4.5	11.5	14.0	18.9	11.6	14.4	19.2	17.5	17.9
Furniture	22.9	22.4	25.0	27.4	29	29.7	34.4	31.6	31.8	34	36.9	41	41.7
Value of imports, mln. USD													
	Q1/15	Q2/15	Q3/15	Q4/15	Q1/16	Q2/16	Q3/16	Q4/16	Q1/17	Q2/17	Q3/17	Q4/17	Q1/18
Total import	976.1	1009.2	977.0	1024.4	861.1	1007.2	1026.9	1125.2	1030.7	1150.7	1257.4	1392.6	1326.2
Food products	20.6	23.3	25.7	30.3	23.2	24.9	28.7	30.2	27.3	31.8	35.0	37.2	33.5
Oils, fats	4.9	5	4.6	5.8	4.7	6.3	7.2	5.8	5.2	6.4	7.9	6.3	5.0
Beverages and tobacco	16.2	26	30.8	26.3	22.7	27.5	29.9	29.6	17.5	31.2	37.6	37.9	16.8
Mineral products	237.0	168.1	156.2	172.3	159.3	130.4	140.9	199.5	177.5	175.6	184.5	236.7	228.8
Pharmaceutical products	38.0	47.1	41.9	69.9	28.1	44.9	46.4	64.6	47.9	55.9	56.5	63.3	55.6
Machinery and equipments, recorders...	76.9	75.9	87.3	87.4	61.8	79.2	92.5	110.2	84.2	93.9	108.1	143.4	119.5
Plastics and plastic products	50.7	65.5	72.0	65.7	51.4	66.1	75.0	65.3	53.8	72.7	82.6	83	70.7

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

Number of enterprises by size						
Period	Total enterprises, including:	SME sector, of which:	Middle	Small	Micro	
2015	51216	50555	1268	5849	43438	
2016	52320	51626	1299	5780	44547	
2017	54313	53573	1328	6061	46184	
Number of employees by enterprise size						
Period	Total enterprises, including:	SME sector, of which:	Middle	Small	Micro	
2015	510268	316937	102205	109755	104977	
2016	512474	313533	101529	107156	104848	
2017	528607	323277	103460	112028	107789	
Sales revenues by enterprise size, mln. lei						
Period	Total enterprises, including:	SME sector, of which:	Middle	Small	Micro	
2015	282253.4	119398.8	39558.5	48356.5	31483.8	
2016	300733.4	124954.4	41303.7	50079.3	33571.4	
2017	330963.9	137506.1	45237.0	56090.4	36178.7	
Financial result (profit) until taxing by enterprise size, mln. lei						
Period	Total enterprises, including:	SME sector, of which:	Middle	Small	Micro	
2015	3453.5	2905.0	1195.4	1631.4	78.2	
2016	15026.1	5878.5	2101.3	2229.8	1547.4	
2017		10568.9	3322.9	3811.5	3434.4	

Source: According to the data of the NBS.

Notes: According to the data of the financial statements presented by entities, excepting non-profit organizations.

Data for 2015 were refigured by the NBS according to the new criteria of small and middle enterprises set by Law no. 179 of 07.21.2016, effective since 12.16.2016.

DEMOGRAPHIC SITUATION														
Period	Number of the resident population (thou. pers.) <i>beginning-year</i>	Number of the present population (thou. pers.) <i>beginning-year</i>	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	3412.4	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	38610	10.9	39906	11.2	375	9.7	-1296	-0.3	24709	7.0	11199	3.2
2016	3553.1	3369.1	37394	10.5	38489	10.8	353	9.4	-1095	-0.3	21992	6.2	10605	3.0
2017	3550.9	3356.8	34059	9.6	36764	10.4	330	n/d	-2705	-0.8	20921	5.9	9312	2.6
2018	3547.5	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d
Quarter I 2015			9210	10.5	11164	12.7	91	9.8	-1954	-2.2	3872	4.4	2922	3.3
Quarter II 2015			18554	10.5	21074	12.0	183	9.8	-2520	-1.5	9539	5.4	5772	3.3
Quarter III 2015			28917	10.9	29725	11.2	273	9.4	-808	-0.3	18729	7.0	8310	3.1
Quarter IV 2015			38610	10.9	39906	11.2	375	9.7	-1296	-0.3	24709	7.0	11199	3.2
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	353	9.4	-1095	-0.3	21992	6.2	10605	3.0
Quarter I 2017			8526	9.6	10834	12.2	86	n/d	-2308	-2.6	3343	3.8	2498	2.8
Quarter II 2017			16868	9.5	19775	11.2	174	n/d	-2907	-1.6	8060	4.6	4980	2.8
Quarter III 2017			26064	9.8	27585	10.4	250	n/d	-1536	-0.6	16366	6.1	6978	2.6
Quarter IV 2017			34059	9.6	36764	10.4	330	n/d	-2705	-0.8	20921	5.9	9312	2.6
Quarter I 2018			8068	9.2	10185	11.7	86	n/d	-2117	-2.4	3176	3.6	2669	3.1
Quarter II 2018			16040	9.1	19099	10.9	173	n/d	-3059	-1.7	7899	4.5	5051	2.9

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

Period	LABOR MARKET																			
	Activity rate of population, %				Number of employees (thou. pers.)				Employment rate of population, %				Unemployment rate, %							
	Total		men		women		urban		rural		Total		men		women		urban		Rural	
	Number of economically active population (thou pers.)		men		women		urban		rural		Number of ILO unemployed (thou. pers.)		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	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	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	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	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	2.6	
2017	1259.1	42.2	45.3	39.4	44.5	40.4	1207.5	40.5	43.1	38.1	41.9	39.3	51.6	4.1	4.8	3.3	5.7	2.7	2.7	
Quarter I 2015	1151.9	38.6	41.2	36.1	43.7	34.5	1054.0	35.3	36.6	34.1	39.7	31.8	97.9	8.5	11.2	5.7	9.2	7.8	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	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	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	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	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	1.9	
Quarter III 2016	1337.0	44.8	47.8	42.1	45.1	44.5	1298.3	43.5	46.2	41.1	43.2	43.7	38.7	2.9	3.4	2.4	4.3	1.8	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	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	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	2.3	
Quarter III 2017	1308.7	43.9	46.9	41.1	45.1	42.9	1264.1	42.4	45.2	39.9	42.4	42.3	44.6	3.4	3.7	3.1	5.8	1.4	1.4	
Quarter IV 2017	1210.2	40.6	42.5	38.8	43.5	38.3	1169.9	39.2	40.8	37.8	41.4	37.5	40.3	3.3	4.0	2.7	4.8	2.1	2.1	
Quarter I 2018	1172.9	39.3	41.3	37.5	42.5	36.8	1124.6	37.7	39.3	36.2	40.4	35.6	48.3	4.1	4.7	3.5	4.9	3.4	3.4	
Quarter II 2018	1384.3	46.4	49.1	44.0	43.1	49.0	1343.4	45.0	47.5	42.8	40.7	48.4	40.9	3.0	3.2	2.8	5.6	1.1	1.1	

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

Period	REMUNERATION OF LABOR										
	Average monthly salary - Total					Index of nominal monthly salary (comparative to previous year), %					Index of real monthly salary (comparative to previous year), %
	MDL	USD	EUR	MDL	USD	EUR	MDL	USD	EUR		
January 2015	4260.6	256.5	219.1	112.8	89.4	104.1	112.8	89.4	104.1	107.7	
February 2015	4241.2	225.2	198.1	114.1	81.7	98.0	114.1	81.7	98.0	107.1	
March 2015	4397.3	236.0	217.1	112.4	81.5	103.6	112.4	81.5	103.6	104.9	
April 2015	4526.5	251.3	233.2	112.9	84.2	108.0	112.9	84.2	108.0	104.9	
May 2015	4524.0	252.0	225.7	112.2	85.5	105.3	112.2	85.5	105.3	103.8	
June 2015	4732.7	256.7	228.6	112.6	85.0	102.9	112.6	85.0	102.9	104.0	
July 2015	4882.6	257.4	233.8	112.8	83.4	102.6	112.8	83.4	102.6	103.9	
August 2015	4669.1	245.8	220.4	109.2	79.5	95.0	109.2	79.5	95.0	97.3	
September 2015	4694.9	239.0	212.6	110.0	80.2	92.2	110.0	80.2	92.2	97.7	
October 2015	4564.9	229.2	203.8	105.9	78.0	88.0	105.9	78.0	88.0	93.6	
November 2015	4613.4	230.7	214.5	105.9	79.2	91.9	105.9	79.2	91.9	93.3	
December 2015	5227.7	263.6	243.0	107.4	83.6	95.0	107.4	83.6	95.0	94.5	
January 2016	4665.8	229.7	211.4	109.5	89.6	96.5	109.5	89.6	96.5	96.6	
February 2016	4650.6	231.5	208.3	109.7	102.8	105.1	109.7	102.8	105.1	99.5	
March 2016	4749.7	239.7	216.1	108.0	101.6	99.5	108.0	101.6	99.5	98.7	
April 2016	4909.6	249.1	219.8	108.5	99.1	94.3	108.5	99.1	94.3	100.2	
May 2016	4863.9	244.9	216.5	107.5	97.2	95.9	107.5	97.2	95.9	99.6	
June 2016	5169.7	260.9	232.4	109.2	101.6	101.7	109.2	101.6	101.7	101.7	
July 2016	5274.0	266.2	240.3	108.0	103.4	102.8	108.0	103.4	102.8	100.9	
August 2016	5242.8	265.2	236.4	112.3	107.9	107.2	112.3	107.9	107.2	108.4	
September 2016	5170.6	261.3	232.9	110.1	109.3	105.9	110.1	109.3	105.9	106.9	
October 2016	5109.2	261.7	237.0	111.9	114.2	116.3	111.9	114.2	116.3	109.2	
November 2016	5204.4	254.6	235.5	112.8	110.4	109.7	112.8	110.4	109.7	109.9	
December 2016	6003.7	297.8	282.3	114.8	113.0	116.2	114.8	113.0	116.2	112.1	
Quarter I 2017	5218.9	261.5	245.6	111.3	112.0	115.9	111.3	112.0	115.9	106.7	
Quarter II 2017	5636.7	300.6	273.7	113.2	119.5	122.8	113.2	119.5	122.8	105.7	
Quarter III 2017	5809.1	324.2	276.3	111.1	122.7	116.8	111.1	122.7	116.8	103.4	
Quarter IV 2017	6113.6	352.0	298.8	112.4	129.7	118.9	112.4	129.7	118.9	104.6	
Quarter I 2018	5906.5	352.7	287.2	113.2	134.9	116.9	113.2	134.9	116.9	107.6	
Quarter II 2018	6369.8	382.4	320.3	113.0	127.2	117.0	113.0	127.2	117.0	109.5	

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

REMUNERATION OF LABOR BY ECONOMIC ACTIVITIES																	
Economic activities	Other service activities																
	Total economy	Agriculture, forestry and fishing	Industry	Constructions	Wholesale and retail trade, maintenance and repair of vehicles	Transport and storage	Accommodation and food service activities	Information and communications	Financial and insurance activities	Real estate transactions	Professional, scientific and technical activities	Activities of administrative and support services	Public administration and defense; mandatory	Education	Health and social assistance	Art, recreation and leisure activities	Other service activities
January	4260.6	2602.8	4514.4	3950.8	3552.4	4130.6	2827.6	8533.6	7683.3	4014.8	5735.9	3634.2	5460.4	3579.9	4149.9	3086.1	5647.1
February	4241.2	2576.2	4445.4	4011.3	3559.2	3940.4	2781.9	8889.3	7305.5	3942.7	5790.8	3291.5	5568.9	3664.6	3984.6	3069.4	6582.6
March	4397.3	2834.8	4707.1	4229.2	3657.1	4113.4	2904.1	9650.7	8825.2	4028.8	6064.7	3534.9	5792.4	3609.6	4028.2	2922.5	6015.5
April	4526.5	2815.9	4994.9	4369.0	3797.5	4406.4	2851.2	10443.5	9595.3	4257.0	5785.6	3531.6	5493.6	3549.6	4454.3	2882.5	6776.7
May	4524.0	2900.1	4845.4	4581.7	3826.5	4566.5	2970.3	9400.4	8092.1	4259.6	6248.4	3641.5	5503.1	3811.8	4469.8	2996.3	6870.4
June	4732.7	2936.6	4936.5	4687.3	3974.5	4369.3	3081.0	9611.4	8471.0	4119.4	6558.3	3715.0	5997.0	4304.3	4562.2	3180.2	7943.6
July	4882.6	3233.9	5076.0	4762.1	4054.1	4541.4	3219.2	9640.5	10121.3	4316.4	6854.3	3739.9	6604.3	4122.9	4726.5	3113.3	7183.5
August	4669.1	2878.7	5027.4	4690.4	3977.6	4615.6	3181.1	9392.6	8235.3	4112.6	6442.1	3816.8	5841.1	4109.8	4398.1	2830.3	6609.8
September	4694.9	3484.0	5150.1	4781.2	4034.8	4596.3	3204.1	12024.8	8005.3	4195.9	6449.9	3729.6	5347.9	3778.1	4243.6	2954.1	7398.9
October	4564.9	3395.4	4942.8	4761.8	4013.8	4485.7	3220.2	9725.0	8736.8	4231.5	6362.7	3773.5	5324.0	3648.5	4250.2	2918.1	7143.9
November	4613.4	3363.1	5007.2	4637.6	3937.5	4271.0	3131.7	9553.1	8246.3	4247.8	6661.0	3635.6	5771.7	3735.3	4404.6	3107.2	7141.6
December	5277.7	3713.0	5884.1	5145.5	4453.4	4907.6	3290.8	10429.6	10685.4	4922.9	7102.4	4039.9	6279.6	3878.5	5518.1	3118.6	8574.9
2015	4610.9	3072.3	4962.8	4559.0	3903.2	4411.3	3055.6	9770.7	8659.6	4218.9	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	5275.1	4995.4	4607.0	4695.7	3542.7	10933.8	9828.6	4875.5	6959.8	4074.6	6683.2	4438.3	4903.5	3257.6	9434.2
July	5274.0	3567.7	5466.3	5132.4	4604.6	4772.6	3591.4	10800.3	10025.2	4967.0	7045.1	4215.2	6785.3	4279.0	5460.3	3221.9	9082.8
August	5242.8	3283.0	5608.1	5339.3	4739.9	5224.5	3607.8	10593.0	9714.1	4799.1	6649.9	4335.0	6310.2	4354.8	5093.8	2920.8	9136.6
September	5170.6	3745.3	5455.6	5344.5	4716.6	5014.4	3585.0	12900.0	9259.6	4803.0	6616.8	4292.0	5733.0	4115.0	4909.5	3140.9	9381.8
October	5109.2	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	10480.5	10335.9	4921.6	7127.9	4380.4	5975.4	4156.7	5353.8	3304.2	9530.1
December	6003.7	4154.0	6446.6	5762.3	5209.7	5316.3	3657.5	11962.2	16536.4	5599.0	7673.1	4585.8	6859.3	4125.0	7061.8	3399.0	10678.5
2016	5084.0	3321.4	5357.7	5064.5	4558.0	4746.3	3454.8	11027.5	10338.9	4779.6	6806.8	4144.3	4017.7	5010.0	3130.1	9081.0	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
Quarter III 2017	5809.1	4035.5	6112.6	5884.2	5304.7	5650.6	3965.9	12775.1	10763.9	5337.0	7413.5	5019.8	7272.2	4565.9	5517.3	3209.3	7547.7
Quarter IV 2017	6113.6	4254.2	6367.7	6225.1	5398.2	5881.1	4106.0	12875.5	13021.6	5475.8	7814.9	5012.5	7727.9	4663.9	6234.9	3460.2	8353.7
2017	5697.1	3798.0	5902.7	5649.8	5120.1	5389.6	3812.9	12443.7	11034.7	5107.2	7392.1	4752.3	7361.4	4459.0	5634.6	3323.9	6592.9
Quarter I 2018	5906.5	3713.3	5904.5	5599.2	5470.0	5470.0	4075.5	13089.4	11262.6	5188.5	7770.6	4944.5	8307.2	4679.5	5476.8	3685.1	6592.9
Quarter II 2018	6369.8	4154.6	6533.9	6413.0	5931.1	5943.0	4404.8	14026.3	11724.7	5596.8	8531.1	5201.7	8187.4	5142.0	6331.6	3734.8	7229.9

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, %					
	Household disposable revenues MDL	Employment activity	Agricultural individual activity	Non-agricultural individual activity	Property	Social benefits	Other sources
2012	1508.8	42.7	9.6	7.2	0.2	19.2	21.2
2013	1681.4	41.6	9.1	6.9	0.2	19.9	22.3
2014	1767.5	41.6	9.5	6.6	0.1	20.2	21.9
2015	1956.6	41.4	9.0	6.9	0.2	20.9	21.6
2016	2060.1	42.1	8.3	6.6	0.2	22.1	20.8
2017	2244.9	43.1	7.8	5.5	0.1	23.4	20.1
Quarter I 2015	1854.0	40.2	9.6	5.3	0.2	21.4	23.3
Quarter II 2015	1997.2	43.5	9.3	6.6	0.1	19.9	20.6
Quarter III 2015	1978.3	39.9	8.5	7.5	0.2	21.5	22.4
Quarter IV 2015	1999.4	41.7	8.9	8.2	0.2	20.9	20.1
Quarter I 2016	2027.8	42.4	8.7	6.2	0.2	19.5	23.0
Quarter II 2016	2029.3	41.1	9.2	6.7	0.0	21.4	21.6
Quarter III 2016	2080.5	41.6	7.6	7.0	0.1	24.3	19.4
Quarter IV 2016	2105.2	42.9	8.0	6.6	0.3	23.2	19.1
Quarter I 2017	2134.5	40.2	8.6	5.4	0.0	23.7	22.1
Quarter II 2017	2227.6	43.2	7.3	6.5	0.0	22.0	21.0
Quarter III 2017	2224.4	43.5	8.0	4.4	0.1	25.8	18.2
Quarter IV 2017	2399.2	45.2	7.6	5.5	0.3	22.1	19.4
Quarter I 2018	2353.5	40.8	7.9	5.3	0.0	23.9	22.1
Quarter II 2018	2374.2	42.4	7.3	6.2	0.2	23.9	20.0

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

HOUSEHOLD CONSUMER EXPENDITURES		Household consumer expenditures structure, %												
		Household consumer expenditures MDL	Food products	alcoholic beverages, tobacco	clothing and footwear	household and maintenance	endowment house	health	transport	communications	recreation	Education	hotel, restaurant, cafes	other goods and services
Period														
2012	1598.6	43.2	1.7	10.6	18.6	3.5	5.6	4.2	4.4	1.5	1.0	1.7	4.0	
2013	1775.8	42.8	1.5	10.3	19.2	3.6	5.7	4.7	4.2	1.5	0.8	1.5	4.0	
2014	1816.7	43.8	1.3	10.6	18.9	3.5	5.6	4.4	4.3	1.3	0.7	1.5	4.0	
2015	2048.5	42.1	1.4	11.2	17.9	3.9	6.5	4.5	4.3	1.4	0.7	1.7	4.4	
2016	2116.8	42.6	1.5	10.5	17.8	4.0	6.4	4.8	4.7	1.3	0.7	1.5	4.4	
2017	2250.3	43.4	1.5	10.4	18.6	3.9	5.9	3.7	4.5	1.3	0.5	1.8	4.5	
Quarter I 2015	1913.3	41.5	1.4	11.0	17.1	3.5	7.7	4.9	4.4	1.6	0.6	1.7	4.8	
Quarter II 2015	2075.9	41.9	1.4	11.0	17.9	4.0	6.3	4.8	4.5	1.1	0.6	2.0	4.6	
Quarter III 2015	2132.7	41.6	1.4	11.8	18.9	4.1	6.2	4.0	4.1	1.6	0.7	1.4	4.3	
Quarter IV 2015	2072.9	43.3	1.5	11.0	17.6	4.1	5.9	4.6	4.2	1.3	0.7	1.8	4.1	
Quarter I 2016	2058.1	42.0	1.4	9.7	17.5	3.6	6.3	7.3	4.3	1.2	0.6	1.1	5.0	
Quarter II 2016	2079.7	43.4	1.5	10.7	18.5	3.8	5.8	4.1	4.4	1.1	0.8	1.5	4.5	
Quarter III 2016	2199.7	41.3	1.7	10.8	18.0	4.1	7.4	4.3	4.4	1.7	0.7	1.6	4.1	
Quarter IV 2016	2129.8	43.9	1.4	10.8	17.3	4.4	5.9	3.3	5.6	1.1	0.6	1.6	4.1	
Quarter I 2017	2091.0	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	
Quarter III 2017	2301.0	43.0	1.4	10.8	19.8	4.0	5.7	3.5	4.2	1.1	0.3	1.8	4.3	
Quarter IV 2017	2359.5	42.4	1.5	10.6	17.6	4.1	6.0	3.9	4.6	1.5	0.7	2.3	4.9	
Quarter I 2018	2329.8	43.9	1.5	10.4	17.9	3.4	6.2	3.8	4.6	1.5	0.5	1.9	4.4	
Quarter II 2018	2379.1	45.0	1.6	10.4	18.2	3.7	5.4	3.8	4.4	1.4	0.4	1.6	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	Scam	Total	Drug related crimes	Total	Trafficking in children	Contraband	Manufacture of counterfeit currency	Total	Hooliganism		
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	16238	128	1082	2390	1598	92	1330	1153	1836	28	1132	240	216	1954	1699
2017	35581	1250	154	196	592	301	17224	12154	98	846	2159	1217	69	1411	1269	1025	41	1060	212	194	1653	1447
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	16238	128	1082	2390	1598	92	1330	1153	1836	28	1132	240	216	1954	1699
Quarter I 2017	8287	n/d	41	48	n/d	59	n/d	2835	34	198	n/d	n/d	n/d	287	n/d	n/d	n/d	n/d	n/d	n/d	331	n/d
Quarter II 2017	16778	n/d	76	89	n/d	136	n/d	5754	49	367	n/d	n/d	n/d	564	n/d	n/d	n/d	n/d	n/d	n/d	635	n/d
Quarter III 2017	25818	n/d	113	137	n/d	215	n/d	8735	65	612	n/d	n/d	n/d	961	n/d	n/d	n/d	n/d	n/d	n/d	1052	n/d
Quarter IV 2017	35581	1250	154	196	592	301	17224	12154	98	846	2159	1217	69	1411	1269	1025	41	1060	212	194	1653	1447
Quarter I 2018	7402	n/d	49	51	n/d	58	n/d	2223	16	194	n/d	n/d	n/d	310	n/d	n/d	n/d	n/d	n/d	n/d	313	n/d
Quarter II 2018	15041	n/d	89	91	n/d	114	n/d	4742	29	357	n/d	n/d	n/d	634	n/d	n/d	n/d	n/d	n/d	n/d	633	n/d

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

Editor-in-chief ER: Iulita BIRCA
Cover Designer: Virgiliu MOREI

Adress of redaction: Editorial Office of NIER, MD-2064,
Chisinau city, 45 I. Creanga street, tel.: (+373-22) 50-11-30, fax: (+373-22) 74-37-94
web: www.ince.md/complexul-editorial/; e-mail: bircaulita@mail.ru

Good for print: 12.10.2018. Circulation 300 ex.
Printing sheets 6.0. Editorial sheets 6.6. Com. 15.
Editorial Office of NIER, 2018