



*Academy of Sciences  
of Moldova*



*National Institute for  
Economic Research*



*Ministry of Economy  
of the Republic of Moldova*

# MOLDOVAN ECONOMIC TRENDS

*No. 12 (Q IV) 2013*

**ISSN 1857-3134**

**Chisinau**

**ISSN 1857-3134**

**AUTHORS:**

Alexandru Stratan, Eugenia Lucasenco, Oleg Cara, Olga Timofei, Veronica Vragaleva, Viorica Septelici, Victoria Clipa, Corina Gribincea, Alexandra Novac, Tatiana Colesnicova, Zinaida Toaca, Zaharia Olarescu, Olga Gagauz

This initiative was supported by the European Identity, Cultural diversity and Political change Project (EU in Depth), FP7-People-2013-IRSES

The **MET** team would like to acknowledge the cooperation with public institutions: the Ministry of Economy, the Minister 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**

2064, RM, Chisinau, Str. Ion Creanga, 45

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

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

## CONTENTS

<b>The main political, economic and social events from the Republic of Moldova .....</b>	<b>11</b>
<b>Edition summary .....</b>	<b>15</b>
<b>Chapter I. PRODUCTION .....</b>	<b>22</b>
<b>Chapter II. PRICES AND EXCHANGE RATES .....</b>	<b>33</b>
<b>Chapter III. FINANCE .....</b>	<b>38</b>
<b>Chapter IV. EXTERNAL SECTOR .....</b>	<b>62</b>
<b>Chapter V. BUSINESS ENVIRONMENT .....</b>	<b>82</b>
<b>Chapter VI. SOCIAL SECTOR .....</b>	<b>85</b>
<b>Chapter VII. FORECAST FOR 2014 .....</b>	<b>101</b>
<b>DEMOGRAPHIC CHALLENGES AND NEEDED POLICIES .....</b>	<b>104</b>
GAGAUZ Olga	
<b>STATISTICAL ANNEX .....</b>	<b>113</b>

## GENERAL DATA

Official name	REPUBLIC OF MOLDOVA
Capital	Chisinau
President	Nicolae Timofti
President of the Parliament	Igor Corman
Prime Minister	Iurie Leanca
Parliament of the Republic of Moldova	101 deputies (the Communist Party of the Republic of Moldova – 34, the Liberal Democrat Party of Moldova – 31, the Democrat Party of Moldova – 15, Liberal Party – 11, unaffiliated deputies – 10)
Independence was obtained on	August 27, 1991
Area	33.8 thousand km <sup>2</sup>
Administrative units	32 districts, 5 municipalities (Chisinau, Balti, Bender, Comrat, Tiraspol), ATU Gagauzia, Administrative-territorial units from the left of the Dniester
Resident population	3,559.5 thousand
Main religions	Orthodox (93.34%), Protestant (1.98%), Old-rite Christian (0.15%), Catholic (0.14%), etc.
National currency	Moldovan Leu (1 USD = 13.0153 MDL, 1 EUR = 17.7110 MDL)

## ABBREVIATIONS

ATP	Autonomous Trade Preferences
ATU	Autonomous Territorial Unit
AVE	Ad-Valorem Equivalent
BMA	Bureau for Migration and Asylum
CEFTA	Central European Free Trade Agreement
CIS	Commonwealth of Independent States
CPI	Consumer Price Index
CR	Concentration Ratio
DCFTA	Deep and Comprehensive Free Trade Agreement
EBRD	European Bank for Reconstruction of Development
EC	European Commission
EPC	Effective Protection Coefficient
EU	European Union
FDI	Foreign Direct Investment
GAP	Good Agricultural Practice
GATS	General Agreement on Trade in Services
GDP	Gross Domestic Product
GSP	Generalised System of Preferences
GVA	Gross Value Added
HACCP	Hazard Analysis and Critical Control Points
HHI	Herfindahl-Hirschman Index
IDA	International Development Association
IIPP	Index of Industrial Products Prices
IMF	International Monetary Fund
IOM	International Organization for Migration
IPA	Intellectual Property Rights
MAFI	Ministry of Agriculture and Food Industry
MDL	Moldovan Leu
MET	Moldovan Economic Trends
MF	The Ministry of Finance
MFN	Most Favoured Nation
MFO	Microfinance Organization
NBC	National Bank Certificates

NBM	National Bank of Moldova
NBS	National Bureau of Statistics
NCFM	National Commission of Financial Market
NEER	Nominal Effective Exchange Rate
NIER	National Institute for Economic Research
NPB	National Public Budget
NPC	Nominal Protection Coefficient
ODSME	Organization for Development of Small and Medium Enterprises
PCA	Partnership and Cooperation Agreement
PP	Percentage Points
PPI	Production Price Index
RCA	Revealed Comparative Advantage
REER	Real Effective Exchange Rate
SDR	Special Drawing Rights
SITC	Standard International Trade Classification
SME	Small and Medium Enterprises
SPS	Sanitary and phytosanitary measures
TBT	Technical Barriers to Trade
TN	Transnistria
TRC	Total Regulatory Capital
TRQ	Tariff Rate Quota
UN	United Nations
USD	US Dollar
VAT	Value Added Tax
WTO	World Trade Organization
YoY	Year on Year

# TABLES

Table 1.1. Evolution of gross domestic product in 2013 .....	22
Table 1.2. Indicators of industrial production by main types of activities in January-December 2013 (%) .....	25
Table 3.1.1. Structure of external state debt on currencies, % as a share of total external debt .....	45
Table 3.2.1. Evolution of banking assets by volume and structure, %.....	46
Table 3.2.2. Structure of credits in the economy of the Republic of Moldova, % .....	47
Table 3.2.3. Evolution of new credit by volume and structure during 2011-2013 .....	49
Table 3.2.4. Market concentration in the banking sector, % .....	50
Table 3.2.5. Evolution of bank bonds by volume and structure, %.....	52
Table 3.3.1. Purchases of currency conducted by the NBM on the interbank market in 2013 ....	60
Table 4.1. Balance of payments – Current account in 2013 (synthetic presentation) .....	62
Table 4.2. Share of the current account in the GDP, %.....	62
Table 4.3. Development of foreign trade with services in 2013.....	63
Table 4.4. Balance of payments – capital and financial account in 2013 (summary report) .....	64
Table 4.5. Evolution of net FDI inflows by types of capital.....	65
Table 4.6. Main indicators of external trade in goods of the Republic of Moldova.....	69
Table 4.7. Composition and evolution of exports by groups of products in 2013 .....	70
Table 4.8. Geographical distribution of wine exports of the Republic of Moldova.....	71
Table 4.9. Imports composition and evolution by groups of products in 2013 .....	74
Table 4.10. Development trends of main economic partners Republic of Moldova (% , yoy) .....	78
Table 5.1. Data on net profit (loss) of businesses on the left side of Dniester, by types of activity, period January-September 2013.....	84
Table 6.1. Evolution of demographic processes by development regions in 2013, thousand persons .....	85
Table 6.2. The number of unemployed persons registered with the National Employment Agency in January-December 2013, persons .....	88
Table 6.3. Evolution of the number of unemployed persons in January-December 2013, persons .....	89
Table 6.4. The average gross nominal wage in 2013 by economic activities, MDL.....	89
Table 6.5. Primary and Secondary General Education institutions 2012/13 and 2013/14 school years, units.....	92
Table 6.6. Students in higher education institutions in 2012/13–2013/14 school year, pers. ....	93
Table 6.7. Average number of pensioners and average size of pensions in the region on the left side of the Dniester river in 2013 .....	98
Table 6.8. Subsistence minimum in the region from the left side of the river Dniester in 2013 (in average for one person, rubles per month) .....	99
Table 6.9. Distribution of students in general education institutions of the region on the left side of the river Dniester in the school year 2013/2014.....	100
Table 7.1. Evolution of the main macroeconomic indicators for 2011-2013 (based on the macro-econometric model of the NIER) .....	102

## FIGURES

Figure 1.1. Evolution of GDP in 2008-2013 (%) .....	22
Figure 1.2. Contribution of components by categories of resources to GDP creation and growth, (%).....	23
Figure 1.3. The evolution of the contribution of components by categories of GDP use in 2008-2013 (%) .....	23
Figure 1.4. Industrial production growth rates in 2008-2013 (%).....	24
Figure 1.5. Infraannual industrial production growth rates in 2012-2013 (cumulative from the beginning of the year, in% compared to the corresponding period of the previous year).....	25
Figure 1.6. Evolution of agricultural production volume in 2008-2013 (2008=100%) .....	26
Figure 1.7. The contribution of various types of agricultural products to the increase of global agricultural output in 2013 (2012=100%) .....	27
Figure 1.8. The evolution of investment in long-term tangible assets during 2008-2013 (%).....	28
Figure 1.9. Structure of investments in long term tangible assets by elements of technological structure in 2008-2013 (%).....	28
Figure 1.10. Monthly evolution in the volume of turnover in enterprises whose main activity is retail trade (year over year) .....	29
Figure 1.11. Evolution of the volume of goods transported in 2008-2013 (thous. tonnes) .....	30
Figure 1.12. Evolution of goods transported in 2008-2013 (thous. tonnes-km) .....	31
Figure 1.13. The number of tourists accommodated in tourist collective accommodation units in 2008-2013 (thousand people).....	31
Figure 1.14. The number of overnight stays of tourists accommodated in tourist collective accommodation units in 2008-2013 (thousands) .....	32
Figure 2.1. Annual average CPI rate and its components, % .....	33
Figure 2.2. Annual basic inflation rate and CPI, % .....	34
Figure 2.3. Evolution of price index for industrial production and its components, compared to previous year, % .....	34
Figure 2.4. Evolution of construction prices, compared to previous year, % .....	35
Figure 2.5. Evolution of prices for agricultural products, compared to previous year, % .....	35
Figure 2.6. Evolution of the nominal exchange rate of MDL compared to USD and EUR.....	36
Figure 2.7. Evolution of real exchange rate of MDL compared to USD and EUR (2005 = 100) .....	36
Figure 3.1.1. Evolution of revenues accumulated in the National Public Budget and GDP during 2009-2013, million MDL.....	38
Figure 3.1.2. Structure of the revenues of national public budget in 2013.....	39
Figure 3.1.3. Structure of the revenues of national public budget during 2009-2013.....	39
Figure 3.1.4. Structure of tax revenues during 2009-2013, million MDL.....	40
Figure 3.1.5. Tax burden during 2009-2013, million MDL .....	40
Figure 3.1.6. Evolution of national public budget's expenses as a share of GDP during 2009-2013 (million MDL) .....	41
Figure 3.1.7. Structure of expenditures in the national public budget in 2013, million MDL.....	42
Figure 3.1.8. Structure of expenditures in the national public budget during 2009-2013, million MDL .....	42
Figure 3.1.9. Structure of state debt during 2011-2013, million MDL.....	43

Figure 3.1.10. Structure of state debt on types during 2011-2013, million MDL.....	44
Figure 3.1.11. Structure of revenues in the region of the left side of the Dniester river compared with the forecast 2013, million MDL.....	45
Figure 3.2.1. Annual growth rate of banking assets, deposits and loans in 2013, %.....	46
Figure 3.2.2. Structure of credit portfolio by sectors, 2013, %.....	47
Figure 3.2.3. Evolution of banking credit quality, % .....	48
Figure 3.2.4. Annual growth rate of new credits granted in 2013, % .....	48
Figure 3.2.5. Evolution of new credits, million MDL .....	49
Figure 3.2.6. Deposits and credits in banking sector as of December 31 <sup>st</sup> , 2013, million MDL.....	51
Figure 3.2.7. Evolution of capital in the banking sector, million MDL .....	51
Figure 3.2.8. Annual growth rate of new deposits contracted in 2013, % .....	52
Figure 3.2.9. Evolution of new deposits contracted, million MDL .....	53
Figure 3.2.10. Structure of new deposits by maturity, %.....	53
Figure 3.2.11. Evolution of banking margin*, average interest rates for deposits and credits in MDL, %.....	54
Figure 3.2.12. Evolution of banking profits, million MDL .....	54
Figure 3.2.13. Liquidity and capital sufficiency, %.....	55
Figure 3.2.14. Evolution of bank cards by volume and structure, %.....	56
Figure 3.2.15. Evolution of special devices, units. ....	56
Figure 3.2.16. Annual growth rate of Transnistria's banking assets, deposits loans during 2013,% .....	57
Figure 3.3.1. Evolution of monetary aggregates and of the monetary base, mln. MDL.....	58
Figure 3.3.2. Structure of money supply M3.....	59
Figure 3.3.3. Evolution of interest rates of monetary policy instruments of the National Bank of Moldova, during 2011-2013 .....	59
Figure 3.3.4. Monetary policy instruments, mln. MDL .....	60
Figure 4.1. Evolution of foreign trade with services, 2008-2013 .....	63
Figure 4.2. Evolution of FDI inflows in 2010-2013.....	65
Figure 4.3. Evolution of remittances inflows into the Republic of Moldova.....	66
Figure 4.4. Evolution of remittances according to the sources of geographic origin, % .....	66
Figure 4.5. Currency structure of money transfers from abroad in favor of individuals.....	66
Figure 4.6. The current account of the balance of payments of the region from the left bank of Dniester River in January-September 2012-2013, mln USD .....	67
Figure 4.7. Financial account of the balance of payments of the region from the left bank of Dniester River in January-September 2012-2013, mln USD .....	68
Figure 4.8. External trade in goods, 2009-2013.....	68
Figure 4.9. Terms of trade indices, 2011-2013 .....	69
Figure 4.10. Dynamics of exports of the main non-food manufactured products .....	71
Figure 4.11. Structure of exported products by main geographical export destinations .....	72
Figure 4.12. Export dynamics by geographical destinations and rates of growth during 2011-2013.....	73
Figure 4.13. Dynamics of main imported products .....	74
Figure 4.14. Evolution of imports by geographical destination and rate of growth during 2011-2013.....	75
Figure 4.15. Evolution of trade balance in goods, 2005-2013.....	76
Figure 4.16. Trade balance share in GDP in the Republic of Moldova, compared with countries from Central and Eastern Europe and CIS countries (2012) .....	76

Figure 4.17. Trade deficit by product categories .....	76
Figure 4.18. External trade of the Dniester left bank region, 2011-2013 .....	77
Figure 4.19. Economic growth of the Republic of Moldova in regional profile.....	78
Figure 5.1. Evolution of the number of registered businesses during January-November 2012-2013.....	82
Figure 5.2. Evolution of numbers of deregistered businesses during January-November 2012-2013.....	82
Figure 5.3. Evolution of the turnover for trade and services by development regions in 2013, in % compared to 2012 .....	83
Figure 6.1. Birth rate, death rate and natural growth rate of the population, 2007-2013, promile .....	85
Figure 6.2. Distribution of foreign citizens by arrival purpose in RM in 2013, % .....	86
Figure 6.3. Morbidity caused by acute respiratory infections in 2013, thousand cases per 100 thousand population .....	96

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

*The end of the year 2013 was characterized by a series of political, economic and social events.*

### October 1<sup>st</sup>

The International Monetary Fund concluded that in Moldova there has been a positive evolution of the main macroeconomic indicators, which show the correctness of actions of institutions. The team of IMF experts met the Prime Minister Iurie Leanca, Deputy Prime Minister, the Minister of Economy, Valeriu Lazar, the Minister of Finance, Anatol Arapu and the Governor of the National Bank of Moldova, Dorin Dragutanu. During the meeting they discussed the results of the post-program monitoring mission carried out by IMF in Moldova on fiscal and budgetary policies, financial sector development, monetary policy and structural reforms. The head of IMF mission, Max Alier, stressed the importance of further promoting structural reforms to ensure sustainable economic development and a balanced budget for the next period. The official also pointed out some recommendations of the IMF mission in this regard, adding that more attention should be paid to risk management and on ensuring transparency in the financial sector. Thus, the International Monetary Fund concluded that in Moldova there has been a positive evolution of the main macroeconomic indicators which shows the correctness of actions undertaken by branch institutions.

### October 4<sup>th</sup>

European Investment Bank will support Moldovan producers through an increased number of various projects related to transport infrastructure, energy sector and export promotion. These investments have been mentioned in the context of a meeting between the Prime Minister Iurie Leanca and Heinz Olbers, Director of Credint Operations for Eastern Neighbors and Central Asia European Investment Bank. New projects have been discussed on energy sector to connect to the electricity network of European Union which will offer to Moldova's consumer an alternative for electrical power at justified rates. For export promotion have been mostly discussed Filiere-du-Vin project in place from 2010 which support local winemakers in the modernization and promotion of Moldovan products on the European Union market.

### October 7<sup>th</sup>

Her Royal Highness Margaret, Princess of Romania and His Royal Highness Radu, Prince of Romania have visited the Academy of Sciences, where they met with President of ASM, Acad. Gheorghe Duca. Afterwards, their Royal Highnesses had a meeting with representatives of the scientific community. In the academic readings, His Royal Highness Prince Radu of Romania held a public lecture.

### October 17<sup>th</sup>

Romanian Ministry of Foreign Affairs has decided to allocate to Moldovan authorities the amount of 150 000 EUR to be used for capacity building for the Bureau of Migration and Asylum. During implementation, BMA staff will be trained on issues of illegal migration, legal migration and integration. A new methodology will be developed to detect illegal migrants.

**October 17<sup>th</sup>**

The censure motion against the Government was debated in Parliament and voted. Communist proposal to grant vote of no confidence to Leanca cabinet garnered only 36 votes. Thus, the Government remains in office and will continue to conduct its activity based on the initially voted government program.

**November 13<sup>th</sup>**

Prime Minister Iurie Leanca met Qimiao Fan, World Bank Country Director for Moldova, Belarus and Ukraine. The discussion was focused on bilateral cooperation. Parties had an overview of the projects completed and the ones underway and scored a number of goals on the prospects for expansion of bilateral relations. The Chief of the Executive has appreciated that the World Bank's Executive Board recently approved the Partnership Strategy for Moldova for the years 2014-2017, which focuses on three strategic priorities: improving competitiveness, improving human capital and minimizing social risks as well as promoting a sustainable model for the development of the country. Qimiao Fan said that the total value of projects to be financed under the strategy is 450 million USD, noting the availability of the World Bank to continue working with our country. Thus, during the financial year 2014 will be allocated 160 million USD in 2015 – 115 million, in 2016 – 90 million, and in 2017 – 85 million.

**November 14<sup>th</sup>**

China will provide to Moldova 3 million USD. The money will be awarded in the form of non-refundable grants, based on the Economic and Technical Cooperation Agreement. The grant will be used to implement jointly identified projects. It was also launched the initiative to develop a common strategy Moldovan-Chinese cooperation and to enhance the activity of the intergovernmental commission for economic cooperation. The strategy will identify areas of common interest that can mapped on economic development projects.

**November 21<sup>st</sup>**

Prime Minister of Moldova, Iurie Leanca discussed with the Head of the Government from Moscow Dmitry Medvedev about the resumption of wine exports on the Russian market. The subject was discussed in St. Petersburg, after the meeting of the Council of Heads of Government of the Commonwealth of Independent States. The Heads of Government called for the organization in the near future, of an ordinary meeting of the mixed Moldovan-Russian intergovernmental commission for economic cooperation to develop and deepen economic cooperation. Another issue referred to the situation of Moldovan migrant workers who are temporarily in the Russian Federation. In this context, was stressed the importance of signing as soon as possible the intergovernmental agreements on cooperation in labor migration, fighting illegal immigration and on readmission, designed to create an effective legal framework to protect the interests and rights of Moldovan citizens working Russia. Also Iure Leanca and Dmitry Medvedev have examined the latest developments in the Transnistrian conflict. The sides reiterated the importance of continuing the dialogue in the 5+2 format and of strengthening the efforts of all participants to identify a viable solution that will respect the sovereignty and territorial integrity of Moldova. There was also mentioned the need to ease the tension in the Security Zone.

**November 27<sup>th</sup>**

European Commission proposed to the European Parliament and Council to accept visa-free regime in the Schengen area for citizens of Moldova.

**November 29<sup>th</sup>**

In the framework of the Third Summit of Eastern Partnership, Moldova initialed the Association Agreement with the European Union, which includes the Agreement on creation of the Deep and Comprehensive Free Trade Area.

**December 4<sup>th</sup>**

During the visit to Moldova, U.S. Secretary of State John Kerry sent a message of encouragement for Moldova, reiterating U.S. support for Moldova's European path.

**December 5<sup>th</sup>**

President of Romania Senate Crin Antonescu was decorated by the president of the Academy of Sciences with the order Dimitrie Cantemir. The Romanian official delivered a public lecture at the Academy of Sciences during which he spoke about the European integration of the Republic of Moldova and Romania's involvement in the process. Mr. Antonescu argued in the context of his speech that energy projects jointly undertaken by the authorities in Chisinau and Bucharest will be implemented in due time. Bucharest Senate President of Romania Senate from Bucuresti reiterated that Romania will support further European integration of Moldova.

**December 10<sup>th</sup>**

Members of European Parliament voted the liberalization of import of Moldovan wine. Members of European Parliament decided that these changes will take effect from 1 January 2014. This decision comes as the Russian Federation froze Moldovan wine imports for an indefinite period. These changes will help Moldovan wine producers to overcome the difficult situation created by certain circumstances.

**December 19<sup>th</sup>**

The Government of Romania will give almost 20 million EUR for the development of education in Moldova, based on a partnership between the two branch ministries.

**December 23<sup>rd</sup>**

The Parliament approved during final reading the draft law on fiscal policy for 2014. The law referred to the increase of excise duties on petroleum products by 9.3%, on cigarettes by 9% and on alcohol by 5%. In 2014 will be restored the reduced VAT rate of 8% instead of the standard 20% for primary agricultural production and sugar. At the same time, import of agricultural equipment will be exempt from VAT and will be allowed to import tractors used for up to 20 years. Taxable value of imported goods will rise from 200 to 300 EUR.

**December 23<sup>rd</sup>**

State budget for 2014 was approved. Parliament approved the law in final reading by the votes of 59 members. The budget states revenues of 25.8 billion MDL, expenditure of 28.2 billion MDL, the budget deficit being of 2.4 billion MDL. About 4 billion MDL will go to local budgets. Other 3.3 billion MDL will be allocated to education while for transport and road maintenance will be spent 2.5 billion MDL.

**December 28<sup>th</sup>**

Millennium Challenge Fund of Moldova and the French company SADE signed the first contract for the rehabilitation of irrigation systems on the Prut River. Rehabilitation of irrigation systems in Blindesti, Grozești and South Leova located on the banks of the River Prut, will cost about 23

million USD. The money will be allocated from the funds of U.S. Government Compact Program. From the upgraded systems will benefit over 1,300 farmers working in the area of the three irrigation systems. Reconstruction and modernization of irrigation systems will allow the irrigation of over 2667 hectares of farmland and farmers, due to technical possibilities, with private investment, will be able to further expand the irrigated area by another 1.300 hectares.

## EDITION SUMMARY

*Production*

The evolution of the real economy in 2013 indicates a special performance of the national economy this year. According to official statistics, gross domestic product (GDP) in 2013 was 99879 million MDL, up by 8.9% compared to 2012 (in real terms). The Republic of Moldova is among the countries with the highest annual GDP growth rates in the region. During 2008 – 2013 GDP saw an increase of 16.3% and an average annual increase of 3.1%.

The largest contribution to GDP growth in 2013 was agricultural activity whose gross value added under favorable conditions this year saw a dramatic increase – about 41.0%, resulting in a 4.5% GDP growth.

Increased agricultural production – by 38.3% compared to 2012 was due to an increased crop production by 61.8%, livestock production registered a slight increase (0.7%).

Industrial production in 2013 increased by 6.8%, supported by manufacturing (7.9%) and mining and quarrying (22.2%), which contributed to the increase in production volume in this important branch of the national economy respectively by 6.8% and 0.5%. However, the production of electricity and heat decreased (by 4.3%), causing an attenuation of industrial production growth by 0.5%.

Although 2013 had positive developments in terms of GDP use, the contribution of final consumption (113.5%) and net exports (-37.8%) to GDP creation remain excessive. Investment activity remains relatively low, gross fixed capital formation in 2013 accounted for 22.6% of GDP and an increase of only 3.3% compared to 2012.

There were positive developments in 2013 in the field of trade and market services. The turnover in retail trade units was up 3.1% (in real terms) compared to 2012, and by 10.7% in the enterprises the main activity of which is provision of services to the population.

During the reporting year the activity of goods transportation increased significantly (the volume of transported goods – by 26.5% and the distance of travel for goods – by 14.9%). However, the number of passengers transported by public transport decreased (by 1.4%).

*Prices and exchange rates*

In 2013, the average annual inflation was 4.6% while price variation during the year was uneven. The main factor causing the price increase in 2013 was agricultural supply due to adverse weather conditions atypical for RM as well as price increase for agricultural products on foreign markets. After a relatively stable evolution during the first months of the year when basic inflation was between 3.9 to 4%, in May 2013 it increased from 4.2% to 4.8% at the year end. The increase of basic inflation in the last months of the year was mainly due to devaluation of the national currency against major international currencies.

In 2013, except for the third quarter CPI exceeded basic inflation. This increase was caused by more expensive food products, which are not considered in the calculation of basic inflation and that caused the increase of CPI level. At the same time, the stabilization of basic inflation is most likely to be associated with the slowdown in domestic demand.

During 2013 other price indices also experienced an uneven growth compared to the previous year data:

- ✓ the price index for industrial products rose by 3.2% compared to the same period of the previous year. Price increases were recorded in mining and manufacturing, energy prices fell moderately;
- ✓ construction sector prices increased compared with the previous year by 8.3%. In the fourth quarter of 2013 price growth in construction was 8.1%. The biggest price increases were recorded in industries of tractors and agricultural machinery construction, construction materials and agriculture;
- ✓ the prices of agricultural products dropped by 22.2%. Price reduction for agricultural products was mainly due to the prices for crops.

In 2013 the nominal exchange rate of the national currency was 12.59 MDL per 1 U.S. Dollar, representing a depreciation of MDL by 3.9%, compared to 2012. Compared to the single European currency MDL was quoted against Euro as 16.72 MDL for 1 Euro – a depreciation of 7.4%. Currency depreciation during 2013 was due to the changes of the quotations for main reference currencies on foreign markets and due to monetary policy pursued by the NBM aiming at adjusting domestic economic developments with macroeconomic policies pursued by authorities.

### *Public finances*

Analyzing the evolution in time of the NPB ratio revenues to GDP it can be noticed that there is a tendency to increase the mentioned ratio, from 41% in 2009 to 44% in 2013.

Examining the revenue structure of NPB in 2013, it is observed that the dominant part continues to be represented by tax revenues.

Analyzing the evolution in time of revenues during the period 2009-2013, it can be noticed that tax revenues have been continuously increasing. However, other categories of revenues went through major fluctuations. For example, non-tax revenues increased in 2010, had a sharp decrease in 2011 and a slight increase in 2012-2013. Revenues from grants recorded a sharp increase in 2010, while in 2011 recorded a decrease in revenues maintaining the trend in 2012 and had an accelerating growth in 2013. Additionally, it is to be noted that income from special funds have been growing continuously with a sharp decrease in 2013 compared to 2012, while revenue from special means had a tiny increase, but still stable until 2011 decreasing in 2012 and returning back in 2013.

During the analyzed period, tax burden, which is determined as the ration of tax revenue to GDP, was 36.6%, its average value during 2009-2013 representing 32.9%, increasing by 0.8 points compared to the value recorded for the years 2008-2012. Thus, a downward trend is noticed for tax burden starting with 2008 – a trend maintained until 2012 with an increase of 4.4 points in 2013.

Analyzing the evolution in time of the NPB expenditure as a share in GDP, a tendency of increase can be noticed in 2009 (42%), with a subsequent reduction to 40% in 2012 and an increase to 47% in 2013.

Overall, during the years 2009-2013, there was a tendency of growth for social expenditures and for the ones related to justice and constitutional jurisdiction which decreased in 2012 compared with 2011 and rebound in 2013. It is worth mentioning that the expenditures for economic purposes accelerated in 2013. Spending for science and innovation registered a negative trend, unlike spending on environmental protection, which showed a positive trend.

As evolution, it is observed an upward trend of external state debt to multilateral creditors. At the same time, the external state debt to bilateral creditors and to the commercial ones continued to decline.

In 2013, the revenues of the region of the left side of the Dniester river's budget amounted 2353.5 million MDL, which represents 6.4% of total revenues collected on the controlled territory of the Republic of Moldova, while the expenditures accounted 2885.9 million MDL or 7.5% of the total expenditure incurred on the Moldovan-controlled territory.

It should be noted that about 20% of the region of the left side of the Dniester river's budget is formed of material assistance received from the Russian Federation.

### **Banking sector**

In 2013, the evolution of the banking sector of the Republic of Moldova continued to be stable, recording good performances for the main indicators: banking assets increased from 58304,4 million MDL in 2012, to 76183,9 million MDL in 2013, volume of credits in 2013 increased by 18,8% compared with 2012, also the deposits increased in 2013 by 24,3% compared with 2012, while the amount of non-performing credits decreased from 14,5% in 2012, to 11,8% in 2013.

Another meaningful indicator reflecting the evolution of the banking sector is banking profit which during 2013, was continuously growing, reaching 1020.3 million MDL increasing by 1.8 times compared with 2012, when this indicator was 572.5 million MDL. Even despite the fact that CB "Eximbank Gruppo Veneto Banca" recorded negative financial results of 111.2 million MDL in 2013, the banking profits of 14 commercial banks present on the market, recorded further increases of 78.3%. It is to note that the leader by profit is CB "Moldova Agroindbank" reaching 320.8 million MDL, followed by CB "Moldindconbank" with a profit of 301.3 million MDL and BC "Victoriabank" with 232.3 million MDL. In this context, the profit of the three leaders represents 84% of the total profit recorded in the banking system.

An important feature highlighted in 2013 is the increase of new loans provided by banks. Thus, in December 2013, banks have granted new loans by 64.4% more than compared with December 2012. Respectively, during the period December 2012 - December 2013, the structure of deposits in foreign currency decreased by 2.7%, recording a down slope in the average interest rate on deposits by 0.17 pp.

In 2013, a very important step in the supervision of banks in Moldova was undertaken, the preparation of the *Regulation on disclosure by banks of Moldova of information related to their activities*<sup>1</sup>. This regulation aims to promote and improve standards of comparability, relevance, resistance and update of disclosed information, incorporating changes related to information both qualitative and quantitative related to financial activity, the report of external audit, provision of services and products, as well as bank governance. The draft regulation also includes provisions related to the criteria and method of disclosure of information by banks on its shareholders and / or groups of persons acting in consent and holding substantial shares in the capital of the bank and the effective bank stakeholders.

### **Monetary policy**

In 2013, against a background of moderate inflationary processes, NBM promoted a stimulating monetary policy, following the achievement of its primary objective of maintaining the inflation within the forecasted limits.

During 2013, monetary indicators have experienced an upward trend and increased significantly compared to those of 2012. The volume of money supply in December 2013 has seen an advance in real terms by 26.4% compared to December last year. Monetary base also

<sup>1</sup>Draft Decision of the Council of Administration of the National Bank of Moldova "on disclosure by banks of Moldova of information related to their activities", available on: [http://www.bnm.md/md/draft\\_311213\\_103318](http://www.bnm.md/md/draft_311213_103318)

increased by 31.8%, representing approximately MDL 23.25 billion on 31.12.2013 compared to MDL 17.63 billion registered in the same period last year.

The rates of monetary policy instruments were reduced in 2013, and at the end of 2013 the base rate was 3.5%, the interest rate on "overnight" loans was 6.5% and the interest rate on "overnight" deposits – 0.5%. The mandatory reserves ratio remained constant throughout the course of 2013, and was maintained at 14%.

During 2013, the NBM intensified the intervention on the domestic foreign exchange market. In order to maintain the inflation rate at the established level, as well as to mitigate excessive fluctuations of the official exchange rate of the national currency, NBM resorted to massive purchases of foreign currency, especially in August and September of 2013. The balance of official reserve assets at the end of 2013 amounted to USD 2.82 billion, increasing by 12% compared to the same period of 2012.

### *External sector*

In 2013, foreign trade resumed its upward trend after the decline in 2012, mainly exports. Although it is at a pace that can be considered as relatively modest compared to performances registered in previous year, exports advanced faster compared to imports, which helped to maintain an increase of the negative balance of trade at a temperate pace, increased the coverage of imports by exports and exports share in GDP compared to the imports share reduction.

Factors favouring exports growth were the favourable crop year that helped obtain a record harvest for the last decade, thus boosting exports in the second half of the year; gradual recovery of the western European economies and the geographic diversification of exports. It is worth mentioning that in 2013 a change occurred also in the top five major importers of Moldovan products, with Turkey advancing very rapidly and ranking 5<sup>th</sup>.

The evolution of global prices for food products influenced the unit value of exports of the Republic of Moldova. However, in the first two quarters of the year, the terms of trade improved by 2% and 1% accordingly amid a modest development of the unit value of imports. This can also be explained by the depreciation of the Moldovan Leu compared to the main reference currencies – Euro and USD, which reduces the purchasing power of Moldovan Leu and influences, accordingly, the demand for imported products, thus directing domestic customers to providers that offer lower prices.

At the same time, in 2013, Moldovan exports faced a number of challenges. A small and open country, Moldova shows a relatively high degree of vulnerability to the developments occurring in the economies of its major economic partners. A slowdown in the economy of the Russian Federation was reflected in a moderate pace of growth of exports towards this destination. Moreover, in September, Russia, imposed bans on the entry of some Moldovan fruits and wines on this market.

Modest developments were in relation to the export of certain textile products produced under loan contracts, which could mean gradual depletion of the country's comparative advantages to work in this system and the need to move to a more advanced stage, with companies expanding their business to other segments of the value chain.

The sharp drop in exports of sunflower oil, which had a relatively high share in recent years, indicates on the existence of certain problems that the industry producing vegetable oil faces in the country, etc.

Imports were also influenced mainly by the same factors as exports. Favouring crop year allowed for a slowdown in the pace of growth of food products. A modest growth was also

registered in certain manufactured products, which were intended either to be incorporated in products to be subsequently exported as compensating products, or to be re-exported to markets from which there seems to be a contraction for both domestic and external demand.

### *Business environment*

The number of businesses registered at the State Chamber of Registration diminished insignificantly during January-November 2013 compared to the same period of the previous year, with the indicator amounting to 98.9%.

The number of deregistered businesses during January-November 2013 amounted to 2,521 units or it is 14.7% less than in the same period of the previous year.

### *Social sector*

**Demographic situation.** In 2013, the number of *live births* in the country amounted to 37,859 persons, which is 4% less than in the previous year (in 2012 the number of *live births* in the country amounted to 39,435 persons). The *birth rate* was of 10.6 *live births* per 1,000 inhabitants. The number of deceased persons was 38,060. The overall death rate registered a 3.8% decrease in comparison to last year (in 2012 the number of deceased persons was 39,560). The *death rate* was of 10.7 persons per 1,000 inhabitants. The natural decrease was of 201 persons in 2013. The number of *infants deceased* during this period was of 358 persons which is 27 persons less than in the previous year. The *infant mortality rate* was of 9.5 persons under the age of 1 per 1,000 *live births*. The total number of *marriages* in the country amounted to 24,448, indicating a growth by 0.8% in comparison to the previous year. The marriage rate was of 6.9 marriages for every 1,000 people. The total number of *divorces* in the country was of 10,775, showing a 1.3% growth in comparison to the previous year. The divorce rate was 3 divorces for every 1,000 people.

**Migration of the population.** In 2013, 3,349 foreign citizens and 323 repatriated persons have been granted permanent and temporary residence permits. The structure of immigrants by the goal of arrival was dominated by family – 32.0%, work purpose immigrants – 31.7%, citizens immigrating for studies – 21.1%, from other reasons – 15.1%. During last year, 2,585 persons left the country in order to establish their permanent residence. The most active migrational relationships are maintained with Ukraine and Russia, with 1,054 and 684 emigrants accordingly, 256 persons left for Germany, 169 for Israel and 160 for the USA. The majority of emigrants, both women and men are between 20 and 49 years of age.

**Internal migration.** During 2013, 36.7 thousand inhabitants have changed their place of residence within the country. The intensity of internal migration can be measured according to the number of arrivals and departures per 1,000 inhabitants. The population mobility index registered in 2013 a value of 9.4 persons per 1,000 inhabitants in comparison to 10.3 in 2012.

**Labour market.** The economically active population of Moldova in 2013 was 1,235.9 thousand persons, increasing by 1.8% (21.4 thousand) compared to 2012. The activity rate of the population aged 15 and over was 41.4%, an increase over the previous year value (40.7%). *Employed population* was 1,172.8 thousand persons, up 2.3% compared to 2012. The employment rate of population aged 15 and over was 39.3%, with about the same value as in 2012 (0.9 pp). The number of *unemployed*, estimated according to the definition of the International Labor Office was 63.1 thousand, by 4.6 thousand less than in 2012. Unemployment affected more the men – 60.2% of the total unemployed, as well as people residing in urban areas – 58.3%. The unemployment rate of the country has seen the value of 5.1%, much lower

compared to 2012 (5.6%). *Inactive population* aged 15 and over was 1,751.2 thousand persons, or 58.6% of the total population of the same age by 17.0 thousand persons less than in 2012 (-0.7 pp).

**Remuneration of labor.** In 2013, the average gross nominal wage within the national economy (4 units of the real sector and all state institutions, irrespective of the number of employees) amounted to 3,765.1 MDL, indicating an increase by 8.3% in its nominal value in comparison to 2012, the real wage (adjusted for the market prices index) increased by 3.5%.

**Social protection of population.** The number of pensioners registered with the social security authorities was of 659.6 thousand persons on January the 1<sup>st</sup> 2014 which is 9.7 thousand more in comparison to January 1, 2013. Average monthly pension on January 1, 2014 constituted 1,020.6 MDL, registering an increase by 6.6% in comparison to January 1, 2013.

**The subsistence minimum.** The size of the subsistence minimum in 2013 was on average 1,612.3 MDL a month per person, an increase by 6.9% over the previous year. The delimitation of subsistence by areas of residence reveals significant differences, the highest value was recorded for the population of large cities (Chisinau and Balti) – 1,747.0 MDL or by 6.4% more compared to the subsistence minimum for other cities 1,641.7 MDL cities and 12.8% more than in rural areas – 1,549.4 MDL. The maximum subsistence volume by categories of population lies with the working age population – 1,710.0 MDL and especially men – 1,855.5 MDL. The highest value of the subsistence minimum was recorded in the second half for working age men in large cities – 2,066.0 MDL.

**Disposable income of the population.** In 2013, disposable income of the population was a monthly per person average of 1,681.4 MDL, increasing by 11.4% over the previous year. In real terms (with an adjustment to consumer price index) household income rose 6.5%. The most important source of income for the population are salary earnings, accounting for 41.6% of total disposable income. Compared with 2012 there has been a reduction in the contribution of salaries in total income by 1.1%, due to a lower level of the share of employees in total employed population Q. IV of 2013.

**Average monthly consumption expenditures of the population** in 2013 amounted to an average of 1,775.8 MDL per person, an increase over the previous year by 11.1%. In real terms (adjusted to consumer price index) population spent on average 6.2% more compared with 2012. Most of the expenditures is for food consumption – 42.8%, or by 0.4 pp less than in 2012. For household maintenance, a person spends on average 19.2% of total consumption expenditures (+0.7 pp) and clothing and footwear – 10.3% (-0.3 pp). Other expenses were directed at health (5.7% versus 5.6% in 2012), transport (4.7% versus 4.2%), communications (4.2% vs. 4.4%), equipping the house (3.6% vs. 3.5%), education (0.8% vs. 1.0%), etc.

**Education.** *Activity of the primary and general secondary education institutions during the school year 2013/14.* In the beginning of the school year 2013/14, the network of primary and general secondary education includes 1,374 schools, gymnasiums and lyceums, including 1,372 day schools and 2 evening schools. The majority of primary and general secondary education (98.7%) represents public property. At the same time, 18 non-public lyceums activated in the country, which are located in urban areas only.

**Secondary vocational education.** During the academic year 2013/14, the network of institutions of secondary vocational education covered 67 institutions. The number of students in the secondary specialized education decreasing, registering at the beginning of 2013/14 – 18.2 thousand students in comparison to 19.6 thousand in the previous school year.

*Specialized secondary education.* During the school year 2013/14, secondary specialized education was organized in 45 colleges, including 41 public and 4 private colleges (with 2 units less compared to the academic year 2012/13). At the beginning of the 2013/14 school year the number of students represented 29.3 thousand people, 4.6% less in comparison to 2012/13 school year. The majority of students are enrolled public colleges.

*Higher education institutions in 2013/2014 school year.* During the school year 2013/14, the higher education network included 32 units, of which 19 are public institutions and 15 – private (with 2 units less compared to previous year). Only two of the 19 state institutions have the II Cycle – master's degree studies.

**Healthcare.** In 2013, population morbidity due to infectious diseases revealed an increase of morbidity cases from influenza and hepatitis. At the same time, in 2013 more cases of acute respiratory infections have been registered – 259.9 thousand cases in comparison to 199.1 thousand cases in 2012. In the structure of infectious diseases the most frequent are acute viral respiratory infections. In 2013 on average 7.3 thousand of morbidity cases were caused by acute respiratory infections per 100 thousand population; there was a prevalence of cases in Balti and Chisinau municipalities, with 17.7 thousand and, respectively 12.2 thousand cases per 100 thousand population. Distribution of cases by territorial criterion is as follows: Criuleni – 10.3 thousand cases per 100 thousand inhabitants, Anenii Noi – 9.2 thousand, Ialoveni – 8.5 thousand, Strășeni – 7.8 thousand cases etc.

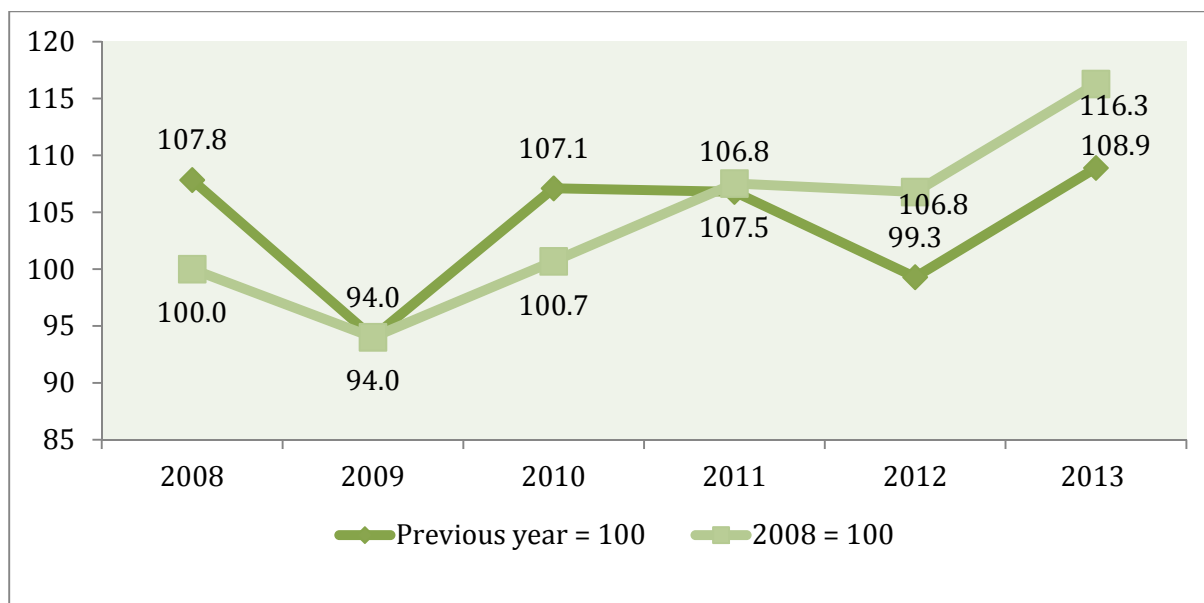
**Crimes.** During recent years there has been an increase in registered crimes – from 25.7 thousand cases in 2009 up to 38.2 thousand cases in 2013. Out of the total number of registered crimes, 3.3% or approximately 1.3 thousand cases refer to extremely severe and very severe crimes, 6.5 thousand cases (17.0%) refer to severe crimes, and the most part of the cases refer to less severe crimes – 21.2 thousand cases or 55.5%. In the last 5 years the number of misdemeanours has tripled. The number of crimes registered per 10,000 inhabitants was of 107 crimes, against 72 crimes in 2009. In Chisinau municipality, the crime rate was 176 crimes per 10,000 inhabitants, which exceeds the average country rate by 1.6 times. A high rate of crimes has been registered in Balti municipality – 124 crimes per 10,000 inhabitants.

## Chapter I

### PRODUCTION

#### Gross Domestic Product

In 2013, according to preliminary estimates, gross domestic product (GDP) was 99879 million lei (in current market prices), an increase by 8.9% compared to 2012 (in comparable prices). During 2008 – 2013, GDP increased by 16.3% and had average annual growth rate of 3.1%.



**Figure 1.1. Evolution of GDP in 2008-2013 (%)**

**Source:** Author's calculation based on the data of the National Bureau of Statistics.

Quarterly evolution of GDP in 2013 is characterized by an upward pace of GDP growth, marking an impressive increase in the third quarter – 12.9% compared to the same period of the previous year and a slowdown of up to 11.2% in the last quarter.

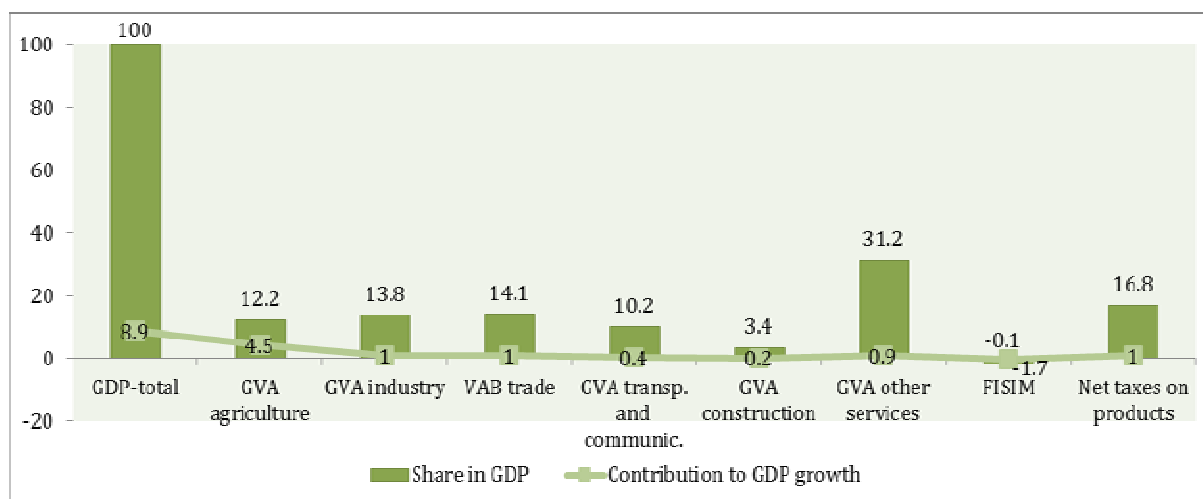
**Table 1.1. Evolution of gross domestic product in 2013**

	Q. I	Q. II	Q. III	Q. IV	Year
<b>GDP, thou. lei</b>	19 673	23 703	29 936	26 567	99 879
<b>In%, compared to the respective period from previous year</b>	103.5	106.1	112.9	111.2	108.9

**Source:** Based on the data of the National Bureau of Statistics.

The following branches of the national economy were the main contributors to GDP growth in 2013 compared with 2012.

- *Agriculture, hunting, forestry, fishing and fish farming*, with a share of 12.2% in GDP structure, the activity of which has increased dramatically (by 41.0%), and generated 4.5% of GDP growth;
- *Industry*, whose volume increased by 7.4%, and generated GDP growth by 1.0%;
- *Wholesale and retail*, the activity of which has increased by 7.3%, and influenced GDP growth by 1.0%;
- *Transport and communications*, increased by 7.3%, and boosted GDP growth by 0.4%;
- *Construction* – increased by 5.1% and generated 0.2% GDP growth.

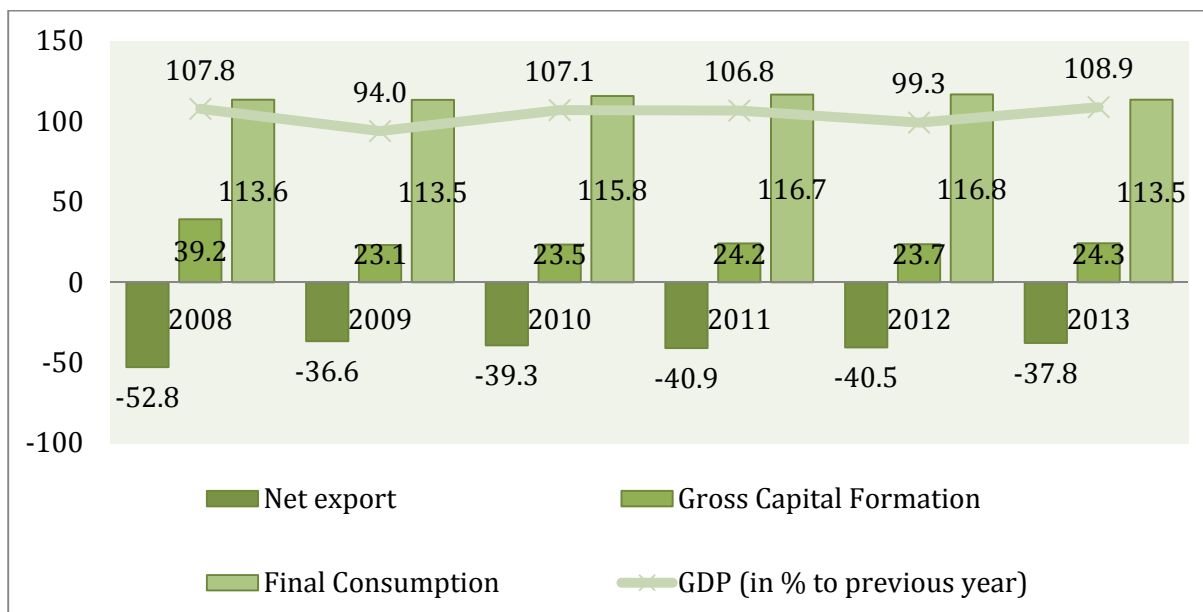


**Figure 1.2. Contribution of components by categories of resources to GDP creation and growth, (%)**

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

Thus, in 2013, the sector of production of goods with a total share of 26.0% in GDP and a growth rate of 22.1%, contributed to the GDP growth by 5.5%. The most impressive growth of value added of goods sector occurred in quarters III and IV – respectively 35.2% and 28.9%, largely driven by increases in the volume of gross value added (GVA) generated by *agriculture, hunting, forestry, fishing and fish farming* – in the two quarters of the year, respectively, by 59.8% and 52.2%.

Economic activities for the production of services, with the main contribution for the creation of gross domestic product (58.9%), helped boost GDP by 2.5%. Net taxes on products, account for 16.8% of GDP and having increased by 6.0% generated a 1 percent GDP growth.



**Figure 1.3. The evolution of the contribution of components by categories of GDP use in 2008-2013 (%)**

**Source:** Author's calculation based on the data of the National Bureau of Statistics.

In terms of the use of GDP in 2013, compared with the previous year, there was a strong 6.5% growth in household final consumption, which accounts for 92.9% of GDP, and thus contributed

6.2% to GDP growth. It is noteworthy that the contribution of excessive consumption of households to GDP in 2013 was decreasing in the third consecutive year. The year of 2013 saw a reduction of final consumption of public administration and non-profit institutions serving households by about 0.2%, also helping to reduce the total amount of consumption to GDP – to 113.5%, similar to the level of 2009.

The positive impact on GDP evolution in 2013 was made by gross capital formation (GCF), which holds a share of 24.3% and caused the increase of GDP by 2.7%, with the main contribution (of 1.9%) of inventory variation. Investment activity, however, remains relatively low and gross fixed capital formation (GFCF) in 2013 has grown only by 3.3% compared to 2012 and reduced its share in GDP by 1.1 percentage point (to 22.6%).

The annual increased rate of growth of exports of goods and services (10.7%) in 2013, compared to that of imports (+5.5%) contributed to reducing the negative value of net exports as a contribution to GDP down to (-37.8%), this indicator being at its lowest level in the past four years.

At the international level, Moldova ranked among the countries with the best performances in GDP growth rates in the CIS, being surpassed by Kirghizstan (which registered annual GDP increase of 10.5%)

### Industry

In 2013, compared with 2012, industrial production grew by 6.8%, supported by processing industry (7.9%) and mining and quarrying (22.2%), which contributed to an increased level of production in this important branch of the national economy, respectively by 6.8% and 0.5%.



**Figure 1.4. Industrial production growth rates in 2008-2013 (%)**

**Source:** Author's calculation based on the data of the National Bureau of Statistics.

However, production and supply of electricity, gas, steam and air conditioning decreased by 4.3%, causing an attenuation of industrial production growth by 0.5%.

At the disaggregated level, a significant impact on the evolution of industry has been marked by the production of electrical machinery and appliances, which grew by 31.1% in 2013, resulting in an overall growth of industrial production by 3.7%.

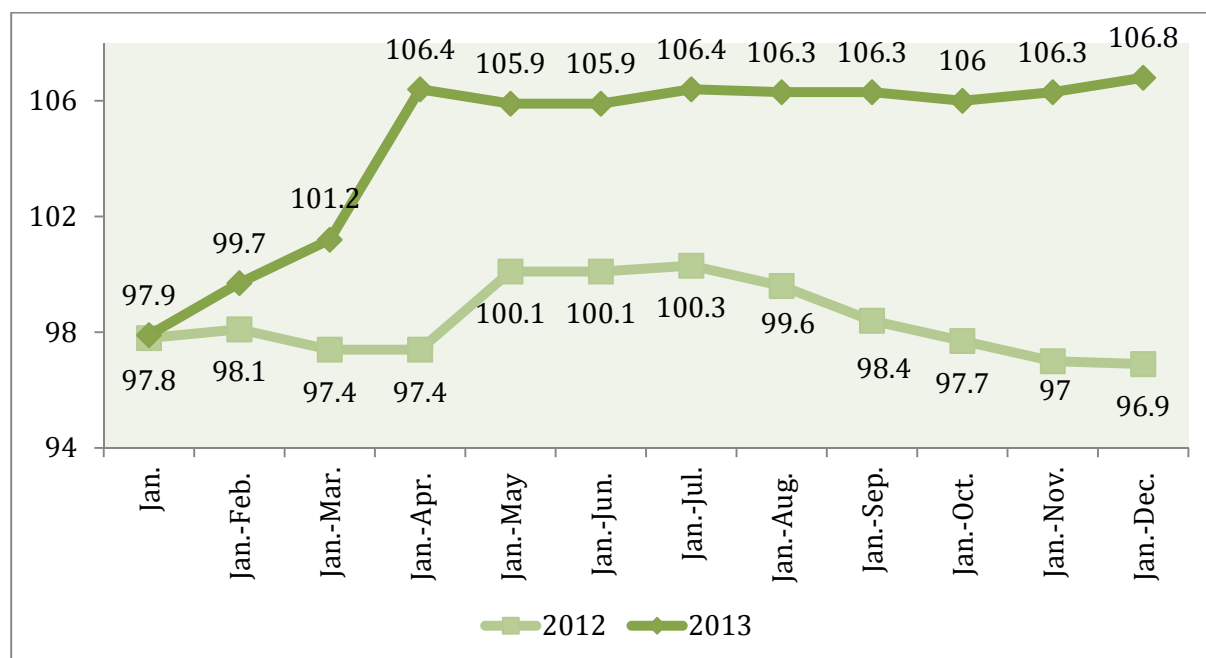
Food and beverage industry, the share of which in gross value added is 29.5%, had an increase by 6.3% in output in 2013, adding 1.9% to the total industrial production. Positive trends in this economic activity were influenced especially by increased production of: processing and preserving fruit and vegetables (13.7%), manufacturing distilled alcoholic beverages (19.6%), manufacturing sector of dairy products (8.9%), producing bread and pastry products (4.9%), causing an overall industry growth, respectively by 0.6%, 0.3%, 0.3% and 0.2%.

**Table 1.2. Indicators of industrial production by main types of activities in January-December 2013 (%)**

	2013/2012	Structure of gross value added	Contribution to the growth of industrial production (+/-)
Industry – total	106,8	100.0	+6.8
Mining industry	122.2	2.3	+0.5
Processing industry	107.9	84.1	+6.8
<i>Of which food and beverage industry</i>	106.3	29.5	+1.9
Production and distribution of electricity and heat	95.7	13.6	-0.5

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

At the same time, there have been reductions in production volume in the following activities of the food and beverage industry: manufacturing of vegetable and animal oils and fats – by 3.7 times (causing a reduction in total industrial production by 1.6%), wine production – 7.4% (causing a reduction in the total industry by 0.3%), mineral water and soft drinks production – 7.5% (causing a total decrease of the industry by 0.1%).



**Figure 1.5. Infraannual industrial production growth rates in 2012-2013 (cumulative from the beginning of the year, in% compared to the corresponding period of the previous year)**

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

The negative impact on the development of industrial production in 2013 was also caused by a decreased output in the following activities: tobacco products – by 19.4%, publishing, printing and reproduction of recorded media – 16.1%, manufacturing of machinery and equipment – 11.8%, causing a reduced industrial output by 0.3%.

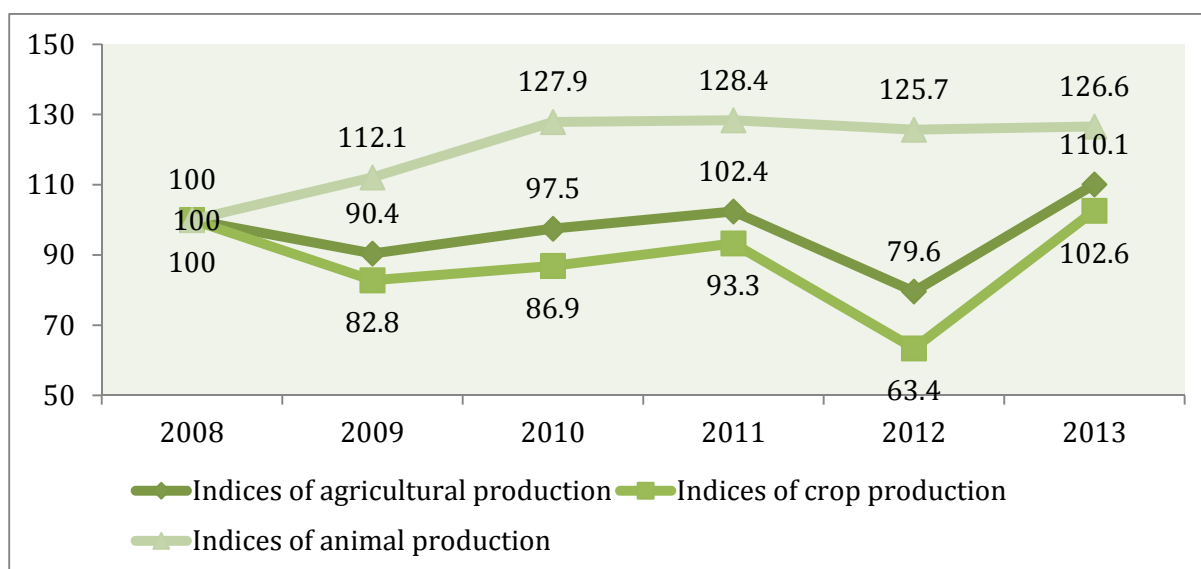
During 2013, compared with the respective periods of the previous year, industrial production mostly showed an upward trend, especially in the last two months of the year.

The share of industrial production supplied to the foreign markets in 2013 amounted to 34.6% of total production delivered with an increase of 2.4 pp compared to 2012. The relatively high level of exported industrial production is in production of: textiles – 88% (of products delivered for the respective activity), processing and preserving fruit and vegetables – 84% of medical equipment and instruments – 84%, machinery and electric appliances – 83%, clothing, processing and dyeing of fur – 78%, alcoholic beverages – 78%, wine – 76%.

In the structure of total production delivered on the foreign markets a higher share belongs to the industry of: food and beverages – 44% (including production processing and preservation of fruits and vegetables – 12%, manufacturing beverages – 23%, of which wine – 16%), textile manufacturing – 11%, manufacturing clothing, processing and dyeing of fur – 7%.

### Agriculture

In 2013, compared to 2012, agricultural production had an impressive growth – by 38.3%. The increase of agricultural production was determined by a jump of crop production – 61.8%, livestock production had a moderate growth (0.7%). On the background of a fast decrease in agricultural output in 2012 (due to extremely bad weather conditions) – by 22.3% compared to 2011, agricultural production in 2013 compared to the same year saw an increase of 7.5%. The volume of agricultural production in 2013 grew to the highest value (in comparable prices) in the last decade.

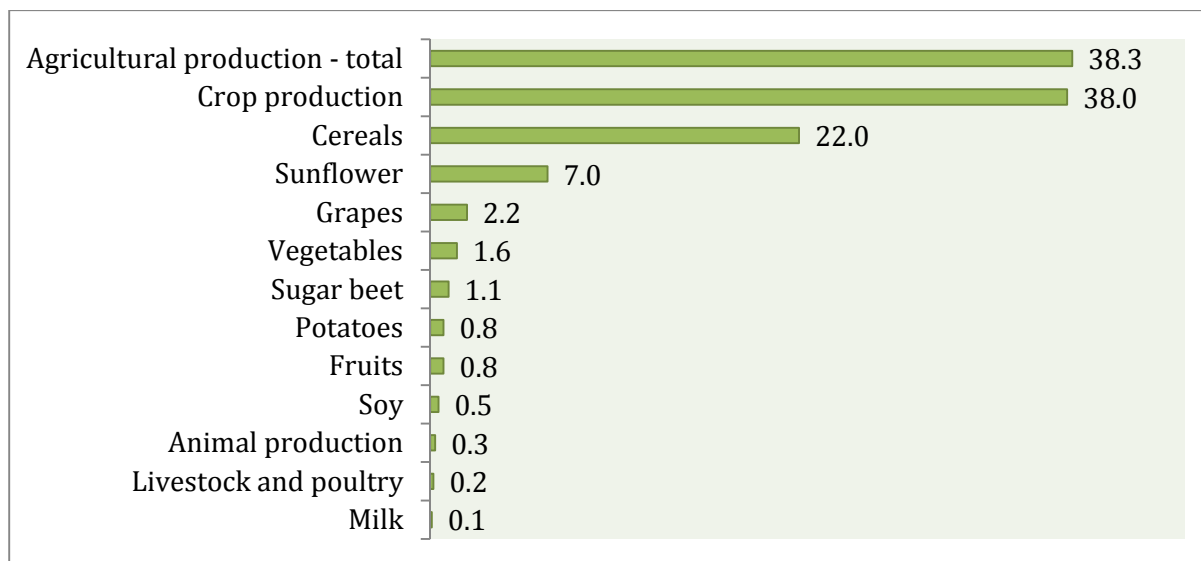


**Figure 1.6. Evolution of agricultural production volume in 2008-2013 (2008=100%)**

**Source:** Author's calculation based on the data of the National Bureau of Statistics.

The analysis of the impact of main types of products on the evolution of agricultural production in 2013 compared to 2012 indicates that the most important contribution lies in the increased production of cereals and pulses (2.2 times), sunflower (66.6%), grapes (21.0%), vegetables (28.8%), sugar beet (59.5%), potatoes (31.5%), which has allowed for a growth of global agricultural production, respectively by: 22.0%, 7.0%, 2.2%, 1.6%, 1.1% and 0.8%.

The sharp rise in crop production has considerably increased its share in total agricultural output up to 72% (in 2012 it accounted for 62%), including cereals and pulses – up to 29% (18%) and industrial crops – up to 18% (15%).



**Figure 1.7. The contribution of various types of agricultural products to the increase of global agricultural output in 2013 (2012=100%)**

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

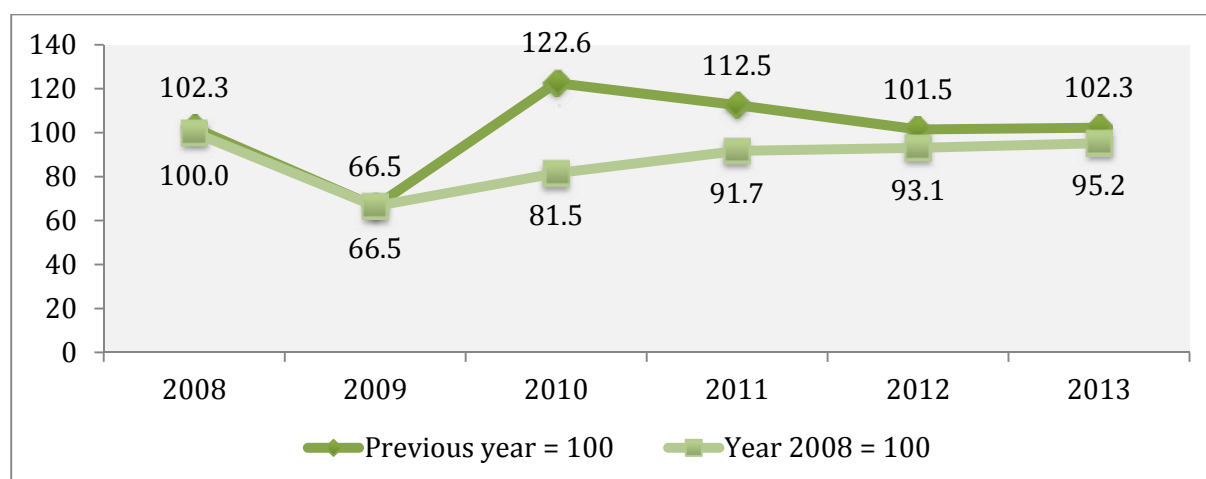
The increase in crop production in the reporting year was determined mainly by increasing crop yields, largely due to favorable weather conditions. Thus, in agricultural units with a land area of 10 hectares and above, average yield of cereals and vegetables increased in 2013 by 2.1 times (scoring 28.1 quintals per hectare), sunflower – 82% (18.2 q/ha), sugar beet – by 77% (339.1 q/ha), potatoes – by 35% (100.7 q/ha), field vegetables – 24% (86.4 q/ha) grape – 23% (47.3 q/ha). Increased productivity of crops in 2013 was supported by the increasing use of chemical and natural fertilizers – on wider surfaces, respectively by 21% and 12% compared with 2012.

Animal production continues to be determined by the situation in households in which, according to the status at the end of 2013 the concentration of livestock was: 98% of the total number of sheep and goats, 94% – cattle, 64% – pigs. As a result, the share of such households in milk production in the reporting year amounted to 97%, increase in cattle and poultry – 64% in egg production – 60%. All in all, in 2013, compared with 2012, the production of livestock and poultry increased by 1.3%, milk production – by 0.5%, egg production is decreasing – by 0.8%.

### *Investments in long-term tangible assets*

In 2013, investment in long-term tangible assets accounted for 18461.5 million MDL (in current prices), with an increase of 2.3% in real terms over 2012.

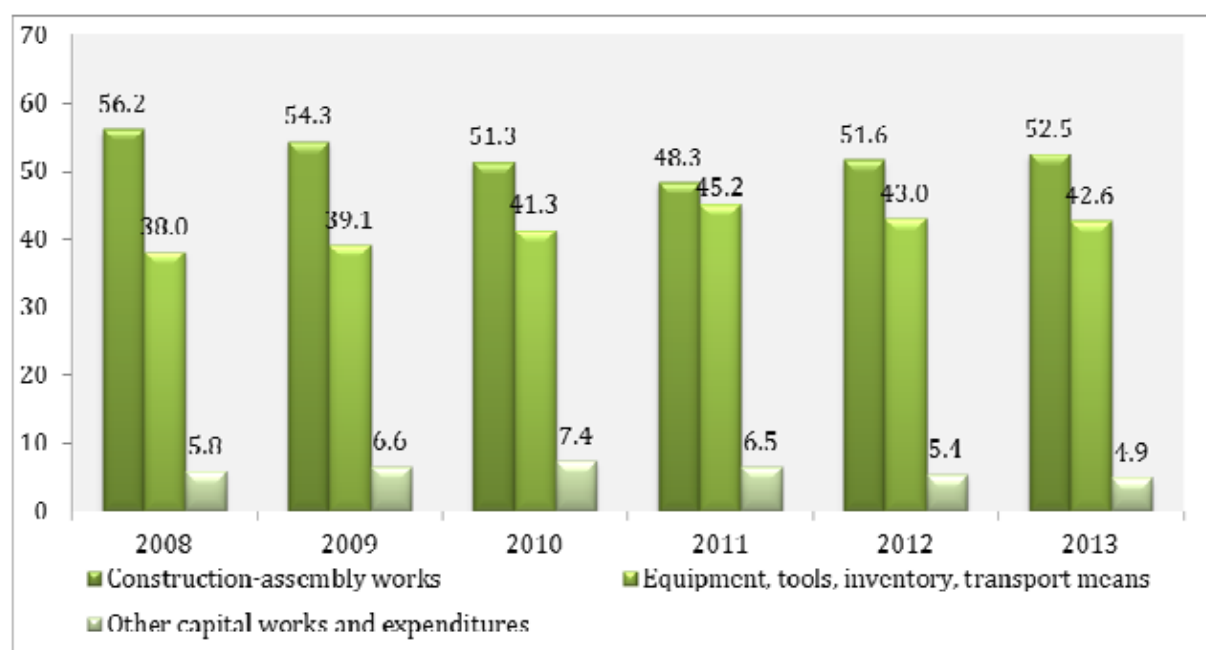
In terms of structural technological elements, the largest positive impact on investment was made by investments in equipment, machinery and transport means, the volume of which increased by 4%. Given the share in the overall investment of 42.6% in 2013, this growth has contributed to the increase in the total volume of investment by about 1.7%. The upward trend of construction and assembly work (1.6%) has caused an annual growth of total investments by 0.8%.



**Figure 1.8. The evolution of investment in long-term tangible assets during 2008-2013 (%)**

**Source:** Author's calculation based on the data of the National Bureau of Statistics.

Investment analysis in terms of types of fixed assets indicates a positive evolution of all major components, increasing the total volume of investment. Thus, were recorded an increase in investments in the housing sector by 5.4%, in construction of other buildings and structures – 1.1%, in equipment, machinery and vehicles – 4%.



**Figure 1.9. Structure of investments in long term tangible assets by elements of technological structure in 2008-2013 (%)**

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

Investment analysis by type of ownership showed that increased investment activity was determined by public and private entities of the national economy, the investment which increased respectively by 8.9% and 3.4%, increasing the share of the total volume in the structure of investment of up to 33.3% and 47.5% respectively. Joint ventures with property investment volume had an impressive growth – 62.3%, which, however, due to insignificant share (1.4% in 2012) had an impact of about 0.9% on total investment growth. It is noteworthy the decrease in 2013 of investment by companies with foreign capital (14.6%), causing a reduction by 3 pp of the growth rate of total investment volume in 2013 and resulting in further

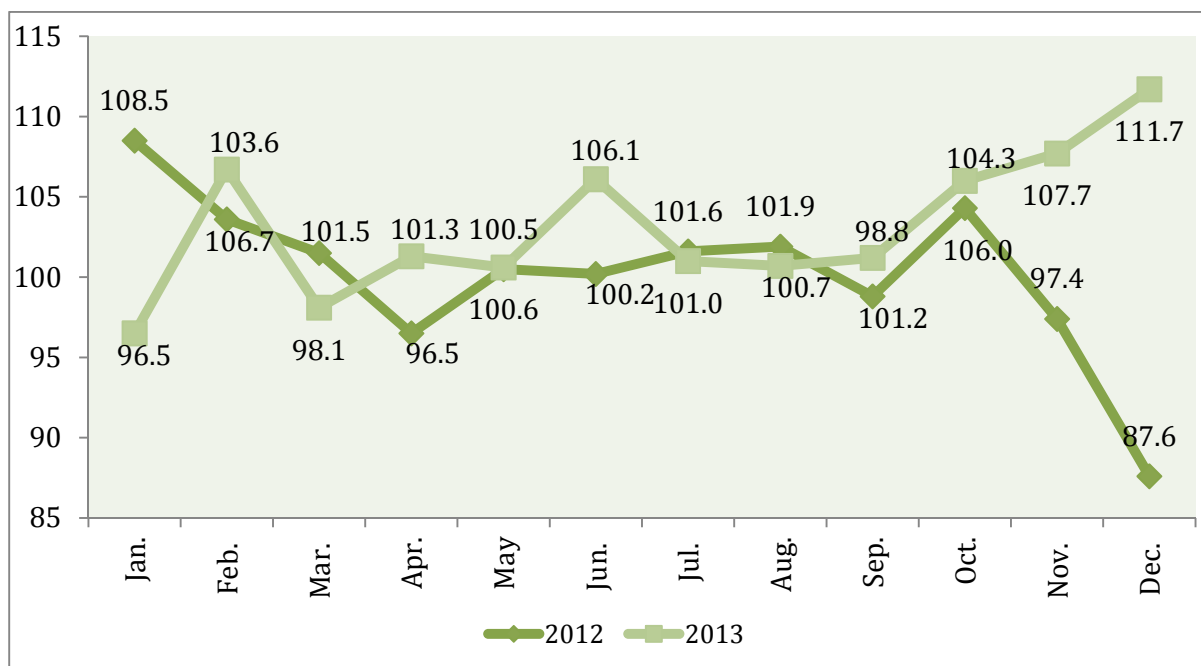
reduction in the total share of these investment companies of up to 18% (compared to 20.4% in 2012).

In 2013, the volume of construction work performed under contract registered an increase of 2.8% (in real terms) from 2012. The structural elements of work performed in 2013 were predominantly new construction, the share of which amounted to 55.1% of total construction, with an increase of 5.9% over the previous year. There were positive developments in the volume of current repairs, which increased by 4.3%. There also was a significant reduction in the volume of repairs – 12.5%, signaling a decrease of their share in the total volume of construction from 21.9% in 2012 to 18.6% in 2013.

The volume of construction works under contract increased in 2013 for engineering constructions and non-residential buildings – by 5.2% and 3.3% compared to 2012. However, the volume of construction of residential buildings, influenced by weak demand in the housing market, fell in the same period by 6.3%.

### *Trade and other services for the market*

In 2013, the turnover of enterprises whose main activity is retail trade was up 3.1% (in real terms) compared to 2012. Annual growth of the turnover in retail trade was 11.7% (December 2013 compared to the same month of the previous year), supported by its upward trend, especially in the last quarter of the reference year.



**Figure 1.10. Monthly evolution in the volume of turnover in enterprises whose main activity is retail trade (year over year)**

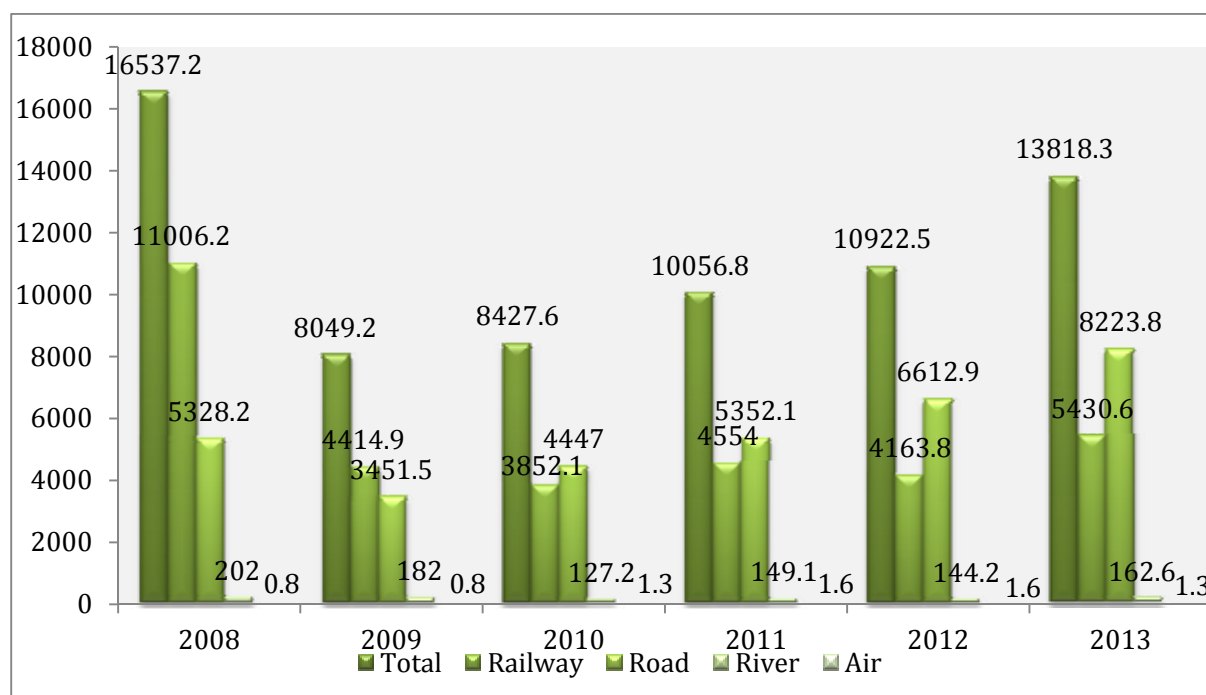
**Source:** According to the data of National Bureau of Statistics.

In 2013 the turnover of the units with the main activity of market services provided to the population rose to 10.7% in 2012 (in comparable prices). Annual growth of this indicator (December 2013 compared to the month of the previous year) showed a higher rate – 13.7%.

The turnover of wholesale businesses in 2013 compared to 2012 increased by 9.1% and of businesses providing services, especially to enterprises – increased by 6.9% (in current prices).

## Transport

In 2013, transport companies transported goods in amount of 13.8 million tonnes, up 26.5% compared to 2012, thus ensuring continued positive development of this activity since 2010.



**Figure 1.11. Evolution of the volume of goods transported in 2008-2013 (thous. tonnes)**

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

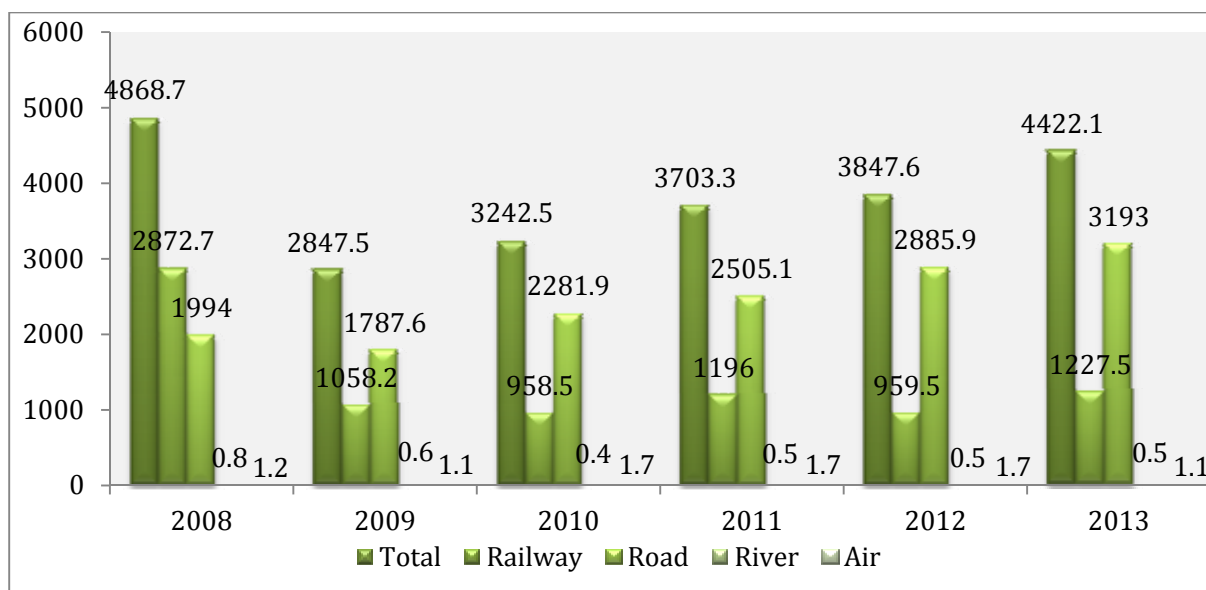
The largest contribution to the increase in the volume of goods transported belonged to auto transport companies, which transported 8.2 million tonnes of cargo, or by 24.4% more than in 2012, influencing thus an increase of 14.9% of the total volume of transported goods.

An important contribution to the upturn in transporting goods activity also had the rail transport, which transported 5.4 million tonnes of cargo, a volume higher by 30.4% than in 2012, which resulted in an 11.6% increase in the total volume of transported goods.

The distance of travel of goods totalled 4.4 billion tonnes-km, by 14.9% more than in the previous year. The distance of travel of goods by auto transport was 3.2 billion tonnes-km (about 72% of the total cargo distance of travel) and rail – 1.2 billion tonnes-km (28%), or up by 10.6% and 27.9% over the previous year.

The river transport of goods, although less significant as a share (accounting for 1.2% of total goods transported), also had a positive development with an increase of volumes of both analyzed indicators by over 12 percent. However, the volume of freight transport by air, amid the significant increase of activity in 2010-2012, has decreased by 18.4% in terms of the volume of goods and 36.5% – in terms of distance of travel in the year under review.

In 2013, compared with 2012 there was a reduction of the number of passengers transported by public transportation (1.4%) with a growing number of passengers trips (2.2%). The decrease in passenger transport activity was caused by the decrease in the number of passengers on the main public transport modes: rail transport – by 5.7%, buses and minibuses – 2.9% and air transport – by 2.7%. Passengers were decreasing only on rail (5%) and air transport (6%).

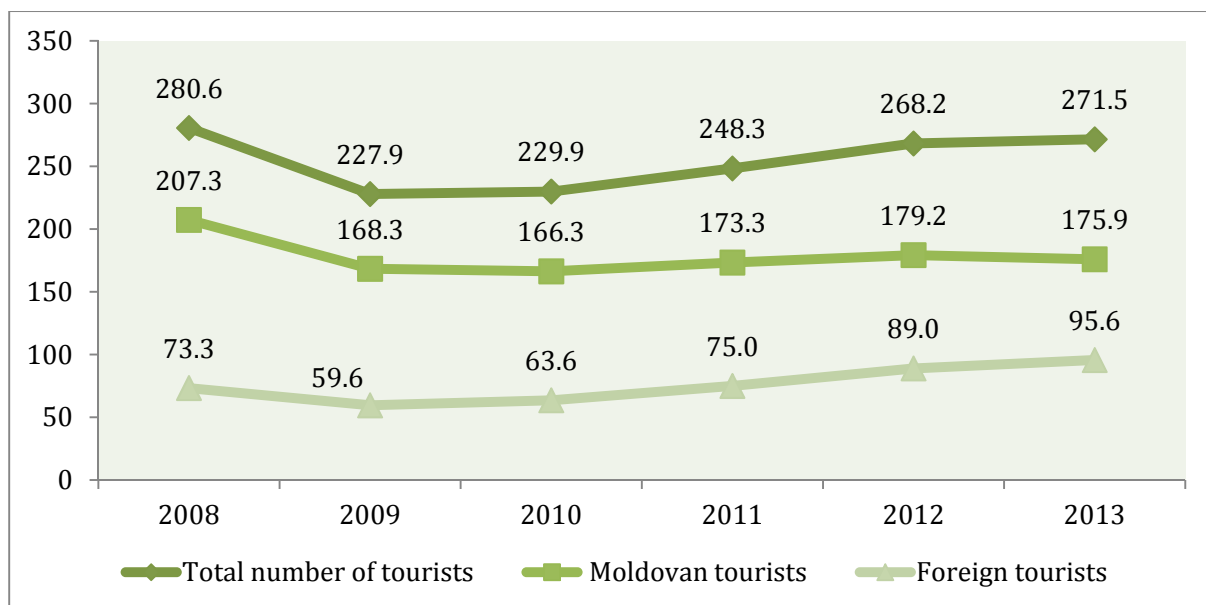


**Figure 1.12. Evolution of goods transported in 2008-2013 (thous. tonnes-km)**

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

### Tourism

In 2013 the number of tourists accommodated in tourist accommodation establishments totaled 271.5 thousand people, of which 64.8% were Moldovan tourists and 35.2% – foreign (non-residents). Compared to 2012, the total number of tourists in the mentioned establishments was increasing – by 1.2%, due to the increasing number of foreign tourists (7.4%) and increased number of tourist attendance of all types of tourist units, excluding guest and agro houses (-0.4%), as well as villas, holiday villages and other accommodation structures (-16.4%).



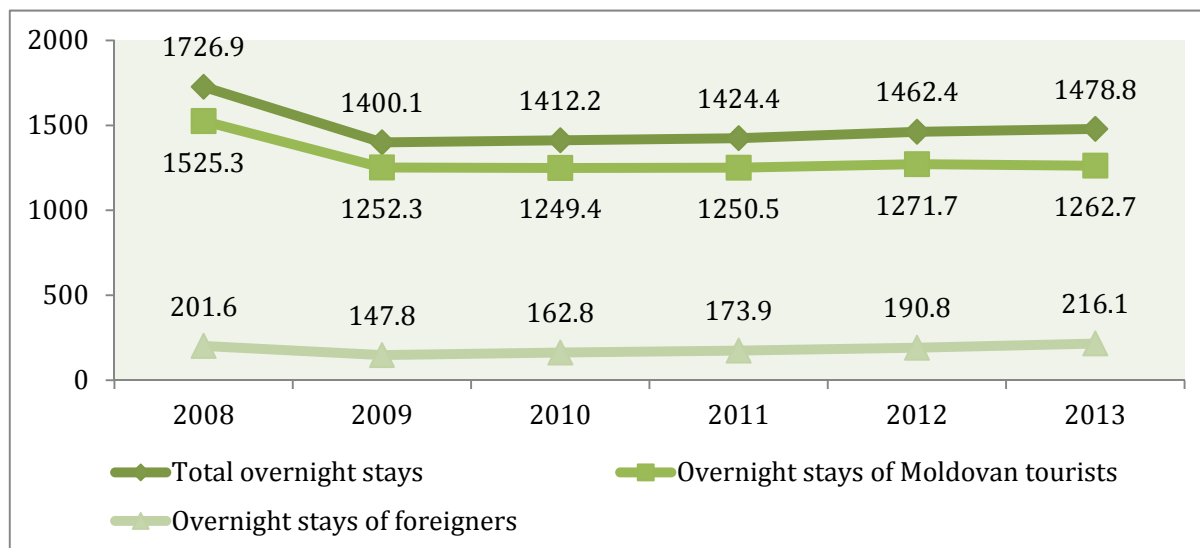
**Figure 1.13. The number of tourists accommodated in tourist collective accommodation units in 2008-2013 (thousand people)**

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

The distribution by countries of foreign tourists accommodated in the mentioned structures in 2013 are as follows: the share of tourists from Romania was 22.0% related to all non-resident

tourists, from Russian Federation – 11.5%, from Ukraine – 9.7%, Germany – 6.2%, Italy – 5.3%, etc.

As with the number of tourists, the increasing number of overnight stays in collective accommodation establishments in 2013 (1% compared to 2012) was generated exclusively by increased tourism of non-residents (13.3%). The decrease in the number of overnight stays of Moldovan tourists accounted for 1%. Beginning with 2010, there was an uptake of tourists attending accommodation units in 2013.



**Figure 1.14. The number of overnight stays of tourists accommodated in tourist collective accommodation units in 2008-2013 (thousands)**

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

In 2013, travel agencies and tour operators provided services to 204.9 thousand tourists and excursionists, by 5.6% more than in 2012. Outbound tourism totaled 157.6 thousand people, or 7.3% more than in 2012, inbound tourism accounted for 13.2 thousand, exceeding by 2.8% the previous year. However, domestic tourism, attended by 34.2 thousand tourists and excursionists, decreased by 0.6%.

Favorite tourist destinations of Moldovans are: Turkey (37% of outbound tourism), Bulgaria (34%), Romania (9%), Ukraine (6%), and Greece (5%).

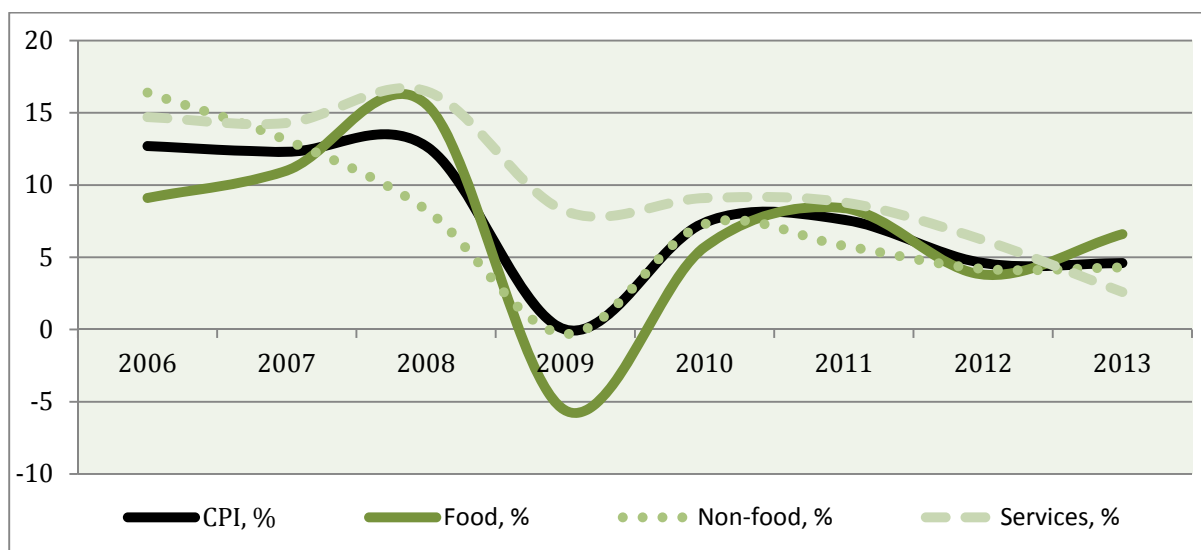
## Chapter II

### PRICES AND EXCHANGE RATES

#### Prices

In 2013, the average annual inflation was 4.6% while price variation during the year was uneven. The first quarter was marked by gradual decrease of the general price level dynamics, which reached 4.4% for this period. These reductions were mainly driven by the prices of non-food products and services. In the second quarter substantial increases in food prices caused an increase in consumer prices by 5.2%. In the third quarter due to a decrease of inflationary pressure on food prices, driven by a fruitful year for agricultural products harvested in the summer of the respective year, the CPI decreased to 4%. In the fourth quarter, CPI increased again and reached up to 4.9%. This increase was mainly due to currency depreciation against major reference currencies and due to non-typical weather conditions that impacted negatively the collection and storage of food products during the last months of autumn.

The average annual inflation rate for 2013 remained at the level of 2012, constituting 4.6%. This level of CPI is considered as the best result from a historical perspective throughout the period of independence of the Republic of Moldova, except for 2009 when the low level of inflation was mainly due to the consequences of the global financial crisis and not due to beneficial economic developments. Compared with 2012 when CPI increase was driven specifically by the increase for services and for food, in 2013 major inflationary pressures were generated by food prices. Increases lower than 5% is observed for both non-food prices, which rose by 4.3% and for services which went up by 2.6%. At the same time, food prices increased by 6.6%.

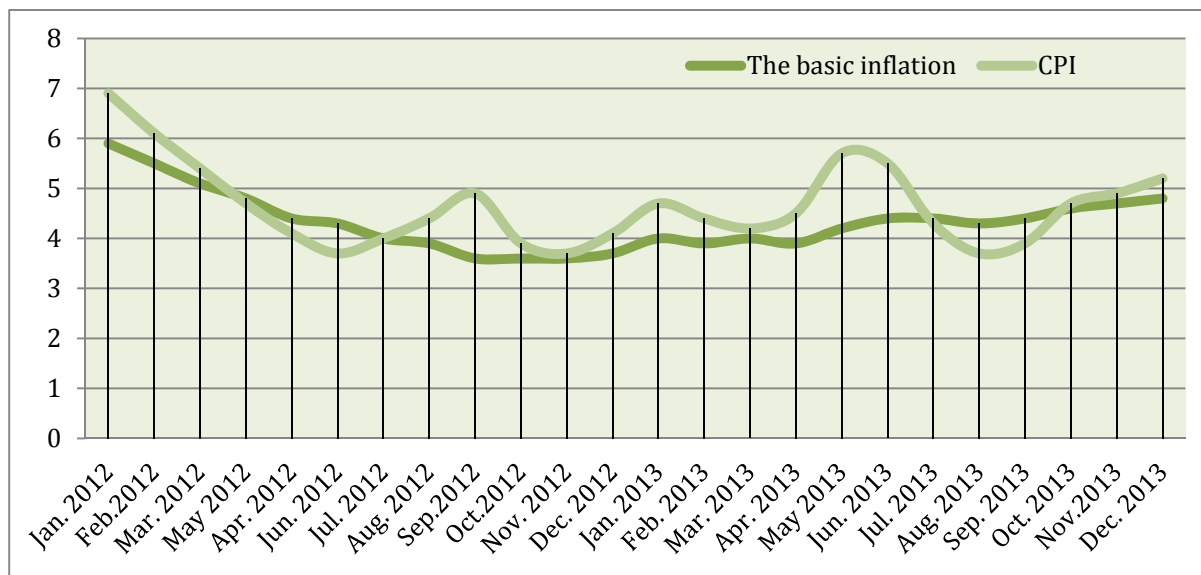


**Figure 2.1. Annual average CPI rate and its components, %**

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

In 2013 the average annual basic inflation was 4.3%, which is similar to that recorded in 2012. In the first three months of 2013, basic inflation was unchanged at 3.9 – 4%, after which its dynamic evolution has changed towards a slow increase. Since May 2013 to December 2013, basic inflation rose from 4.2% to 4.8% respectively. The increase in basic inflation in the last months of the year was mainly due to devaluation of the national currency against main international currencies.

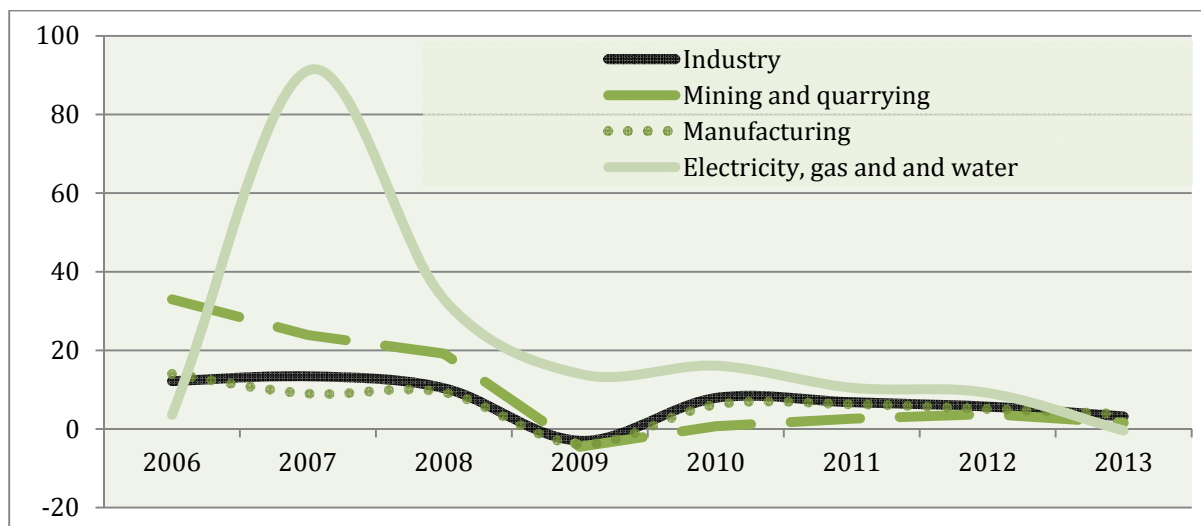
In the first, second and fourth quarters of 2013, the annual inflation rate exceeded the annual rate of basic inflation. This increase was caused by more expensive food products, which are not considered in the calculation of basic inflation and that caused the increase of CPI level. At the same time, the stabilization of basic inflation is most likely to be associated with the slowdown in domestic demand.



**Figure 2.2. Annual basic inflation rate and CPI, %**

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

In 2013, industrial production price index rose by 3.2%. During 2013, industrial production price index had a moderate evolution: in the first quarter was advancing by 2.6% (compared to the same period of 2012), in the second quarter the increase was of 3.2%, in third quarter the growth was 3.4% and in the fourth quarter was characterized by a rise of 3.7%.



**Figure 2.3. Evolution of price index for industrial production and its components, compared to previous year, %**

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

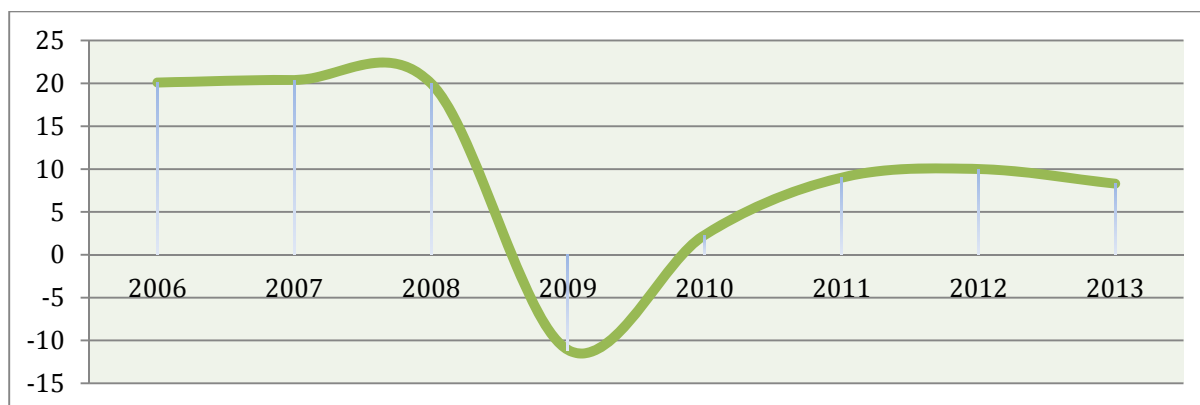
Industry sub-sectors, compared to the same period last year, in 2013 there were the following developments:

- ✓ the manufacturing price index rose by 3.8%;

- ✓ the prices in extractive industry registered an increase of 1.6%;
- ✓ prices in energy sector fell by 0.4%.

Compared the period before crisis there is a reduction in the growth rate of industrial production prices. Between 2006-2008, industrial production prices increased at rates greater than 10%, but after crisis, increases remain below 10%.

In 2013, construction prices rose by 8.3% compared with the same period of the previous year. In the fourth quarter of 2013, construction price index was 8.1% compared to the same period of previous year. By sector, the biggest price increases were recorded in industries of tractors and agricultural machinery construction – 11.7%, construction materials – 11.3% and agriculture – 10.6%.

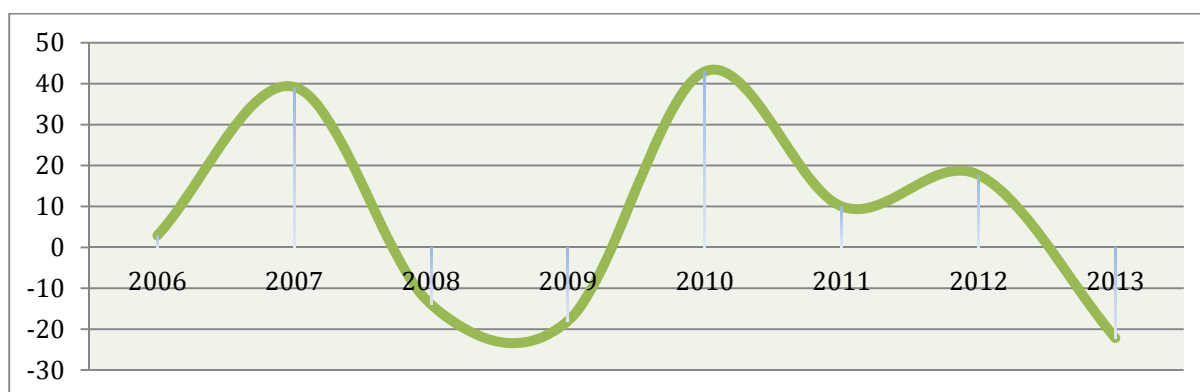


**Figure 2.4. Evolution of construction prices, compared to previous year, %**

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

In 2013, the prices of agricultural products dropped by 22.2%. In general, the evolution of prices of agricultural production is highly volatile, dramatic decreases are followed by modest increases or even by significant increases, and depend largely on climatic conditions during the year. The downward trend in agricultural prices has been recorded since the beginning of the year, in the first quarter this indicator was of 10.4%, decreasing gradually to 2.7% and -26.4% in the second and third quarter of 2013, respectively. In the fourth quarter of 2013 compared to the same period of the previous year, prices of agricultural products decreased 28.9%.

Price reduction for agricultural products in 2013 was mainly due to the prices for crops which fell by 25.8%, animal products had a rather modest price decreased of only 4.1%. For crops, the largest price decrease of 39% was recorded for sunflower, followed by maize price which dropped by 35.1%. Under animal products, biggest price decreases were of 6.7% for eggs and of 5.9% for poultry.

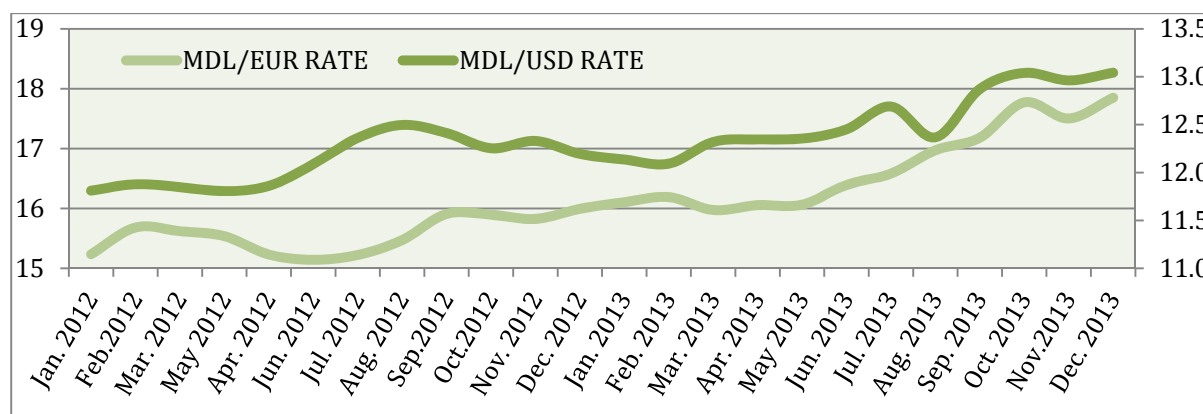


**Figure 2.5. Evolution of prices for agricultural products, compared to previous year, %**

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

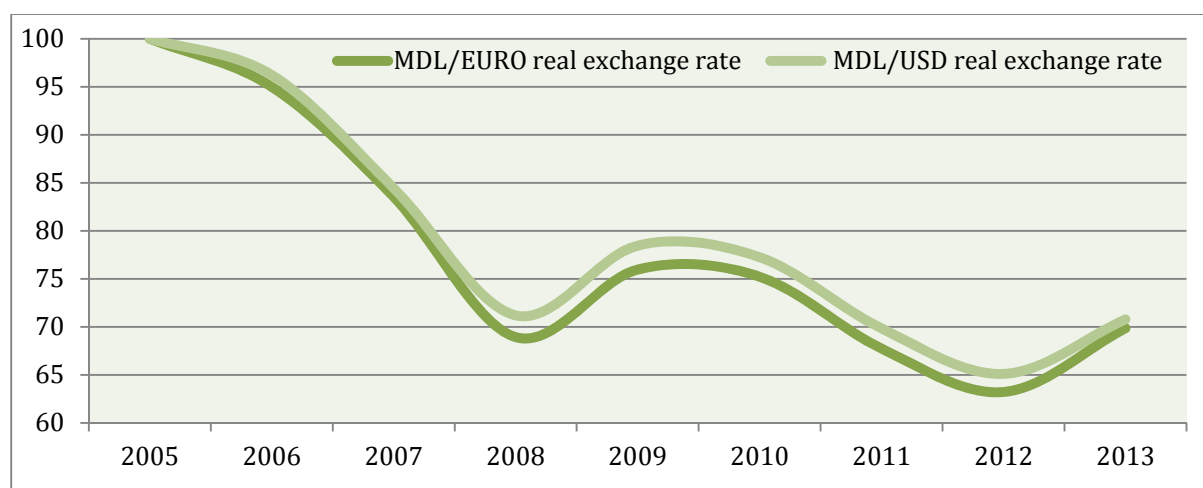
### Exchange Rate

In 2013 the nominal exchange rate of the national currency was 12.59 MDL per 1 U.S. Dollar, representing a depreciation of MDL by 3.9%, compared to 2012. Compared to the single European currency MDL was quoted against Euro as 16.72 MDL for 1 Euro – a depreciation of 7.4%. During the last years, the evolution of the nominal exchange rate of the national currency against major currencies had a relatively stable dynamics, but in the third quarter of 2013 national currency began actively to devalue. In the fourth quarter of 2013 nominal exchange rate MDL/USD was 13.01 lei and MDL/EUR – 17.71 lei, continuing to depreciate in the first months of 2014.



**Figure 2.6. Evolution of the nominal exchange rate of MDL compared to USD and EUR**  
**Source:** According to the National Bureau of Statistics.

The real exchange rate of national currency during the years 2011-2012 has seen a continued appreciation, in 2013 it depreciated by 4.9% compared to the same period of the previous year. This is due to the continuous depreciation of leu, accompanied by increased daily exchange rate variations MDL/EUR, whose value reached in the last days of the year the maximum of the last 13 years (18.11 MDL / EUR as of 30.12.2013).



**Figure 2.7. Evolution of real exchange rate of MDL compared to USD and EUR (2005 = 100)**  
**Source:** According to the National Bureau of Statistics.

### The region of the Republic of Moldova on the left bank of the Dniester River

In the region to the left of the river Dniester, 2013 was characterized by relatively low levels of inflation. In December 2013 compared with December 2012 CPI was 103.6%. In the same month of 2013 compared to December 2013 CPI components recorded the following values: food –

105.2%, non-food products – 100.4%, services – 105.4%. In December 2013 compared to December 2012 industrial prices decreased by 3.2%, the biggest contribution to this reduction was from light industry and ferrous metallurgy, where prices fell by 7.9% and 7.2% respectively.

In 2013, the average exchange rate of the currency in the region of the left side of the Dniester River was of 11.1 rubles per US Dollar. This was a moderate depreciation by 0.3% compared to the exchange rate in the same period of 2012.

## Chapter III

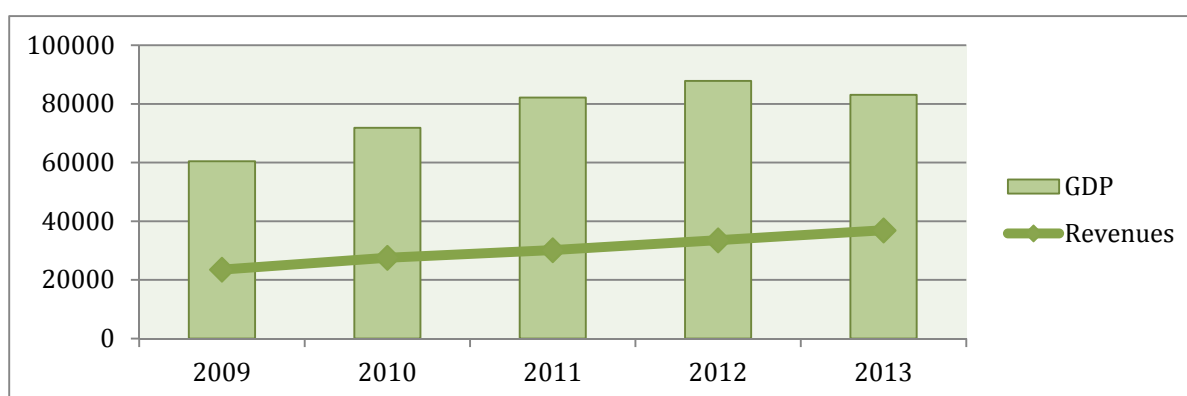
### FINANCES

#### 3.1. Public finances

##### *Revenues of the national public budget*

In 2013 NPB accumulated total revenues of 36908.5 million lei, or at the level of 100.3% compared to the annual tasks. Compared with 2012, revenues increased by 3378.2 million lei or 10.1%.

Analyzing the evolution in time of the ratio NPB revenue to GDP it can be noticed that there is a tendency to increase the mentioned ratio, from 41% in 2009 to 44% in 2013.



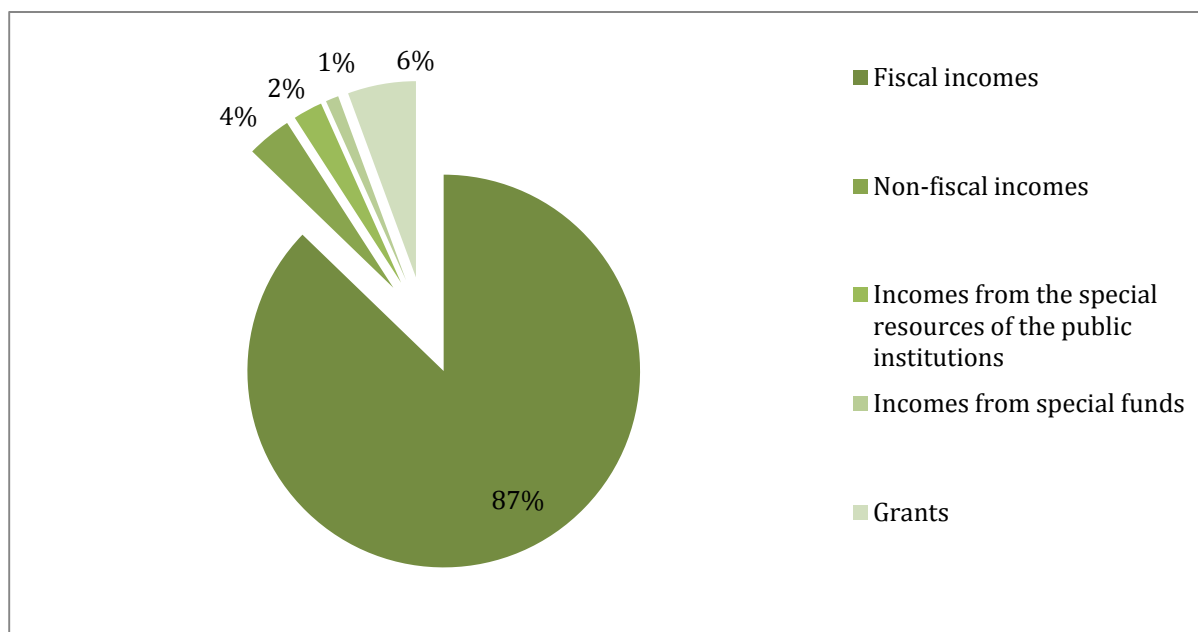
**Figure 3.1.1. Evolution of revenues accumulated in the National Public Budget and GDP during 2009-2013, million MDL**

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

In the fourth quarter of 2013, the national public budget raised 9086.9 mil. MDL i.e. by 1514.2 mil. MDL or 15.8% more than during the same period of the previous year. An increasing trend of budget revenues was noticed in the fourth quarter particularly due to tax revenues.

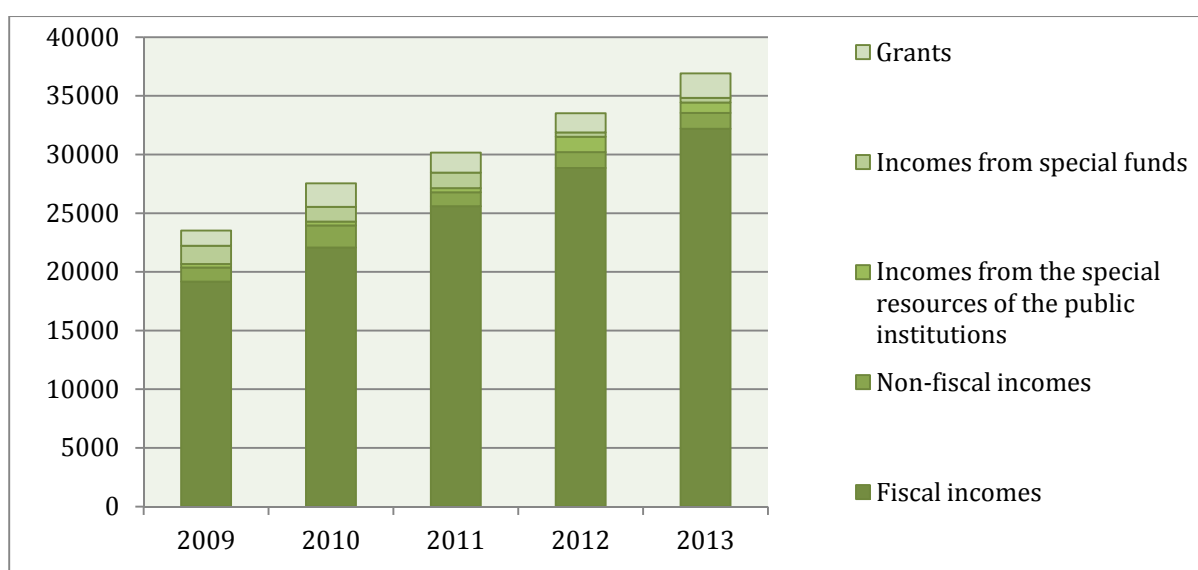
Analyzing the revenue per type of included budgets, it is to note that **state budget** revenues on all components reached 22436.4 million MDL, which is less than the 108.7 million MDL or 99.5% compared to the annual forecast. Compared with 2012, the collected amount has increased by 2345.8 million MDL, or by 11.7%. The revenue of **administrative-territorial budgets** on all components reached 9435.8 million MDL, at the level of 99.7% compared to the annual forecast. From the total revenues of the administrative-territorial budgets, about 52.3% or 4996.8 million MDL constitute own revenues (excluding transfers), the accumulation task was accomplished at a level of 99.4% or with 28.3 million MDL less than the annual forecast. Compared to the previous year, the administrative-territorial budgets collected with 494.0 million MDL more own revenues. The revenue side of the **state social insurance budget** was executed in an amount of 10609.0 million MDL (including the transfers from the state budget - 2828.1 million MDL), which is 99.3% compared to the annual forecast or less with 76.8 million MDL. The own revenues were executed in amount of 7780.9 million MDL, which compared with 2012 increased by 626.7 million MDL or by 8.8%. **Mandatory health insurance funds** collected in 2013 revenue in amount of 4161.0 million MDL (including transfers from the state budget of 2161.2 million MDL), which is by 41.7 million MDL or 1.0% more than the annual forecast. Own revenues of mandatory health insurance funds were executed in amount of 1999.8 million MDL, which compared with 2012 increased by 173.0 million MDL or by 9.5%.

Examining the income structure of NPB in 2013 it can be observed that the dominant part continues to be tax revenues (87%) or 32192.8 million MDL (100.3% of planned revenues) and non-tax revenues – 1351.1 million MDL (96.2% of planned revenues). Compared with 2012, tax revenues increased by 3329.6 million MDL, while non-tax revenues by – 10.5 million MDL. Revenues from special funds of public institutions have been accumulated in the amount of 893.8 million MDL, or at the level of 98.4% from the annual forecast. Revenues of special funds constitute 397.2 million MDL, or 101.5% compared to the set tasks. Budget support and financing of projects financed by foreign sources and by foreign donors and local investors benefits of grants totaling 2073.6 million lei, including: internal grants – 36.0 million MDL and foreign grants – 2037.6 million MDL.



**Figure 3.1.2. Structure of the revenues of national public budget in 2013**

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

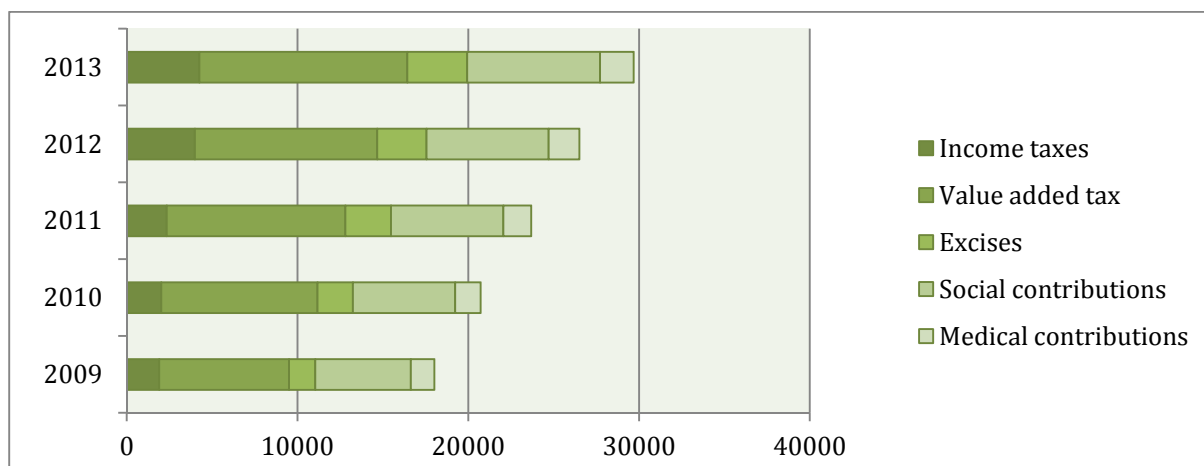


**Figure 3.1.3. Structure of the revenues of national public budget during 2009–2013**

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

Analyzing the evolution in time of revenues during the period 2009-2013, it can be noticed that tax revenues have been continuously increasing. However, other categories of revenues went through major fluctuations. For example, non-tax revenues increased in 2010, had a sharp decrease in 2011 and a slight increase in 2012-2013. Revenues from grants recorded a sharp increase in 2010, while in 2011 recorded a decrease in revenues maintaining the trend in 2012 and had an accelerating growth in 2013. Additionally, it is to be noted that income from special funds have been growing continuously with a sharp decrease in 2013 compared to 2012, while revenue from special means had a tiny increase, but still stable until 2011 decreasing in 2012 and returning back in 2013.

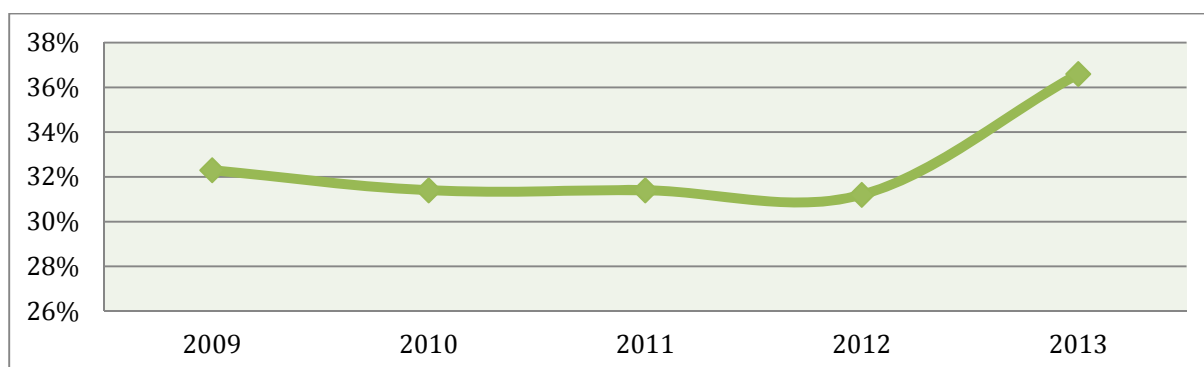
From the tax revenue recorded in 2013, the largest share of revenues constitutes VAT (37.8%), social contributions – 24.2%, income tax – 13.2%, excise duties – 10.9% and the mandatory healthcare primes – 6.1%. Compared with 2012, the fastest growth as a share was registered by excise revenues (+0.9 points) and VAT (+0.8 points).



**Figure 3.1.4. Structure of tax revenues during 2009-2013, million MDL**

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

During the analyzed period, tax burden, which is determined as the ration of tax revenue to GDP, was 36.6%, its average value during 2009-2013 representing 32.9%, increasing by 0.8 points compared to the value recorded for the years 2008-2012. Thus, a downward trend is noticed for tax burden starting with 2008 – a trend maintained until 2012 with an increase of 4.4 points in 2013.



**Figure 3.1.5. Tax burden during 2009-2013, million MDL**

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

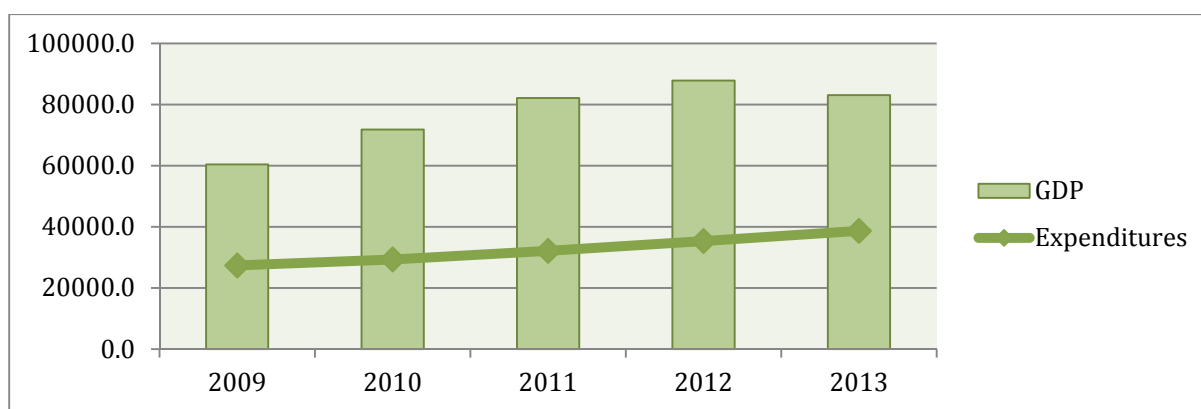
In terms of non-tax receipts, it is to note that in 2013 they constituted 1351.1 million lei, the share in total revenue being of 3.7%, while during the same period of 2011 this indicator was 4.0%. In absolute value, non-tax revenues increased by 9.7 million MDL.

The most important contribution to the formation of revenues from grants, have external grants. For 2013, total budget revenues in the form of grants totaled 2073.6 million MDL, of which 2037.6 million MDL – external grants and 36.1 million MDL – internal grants. It is to note that compared with the previous year, revenues from grants increased by 436.8 million MDL, in 2012 compared with 2011 on the contrary, was recorded a decrease.

### *Expenditures of the national public budget*

In 2013, the expenditures of national public budget have been executed in the amount of 38673.1 million MDL, which is 96.4% compared to the annual forecast. Compared to the same period of 2012, the expenditures of national public budget increased by 3299.6 million MDL or by 9.3%.

Analyzing the evolution in time of the NPB expenditure as a share in GDP, a tendency of increase can be noticed in 2009 (42%), with a subsequent reduction to 40% in 2012 and an increase to 47% in 2013.



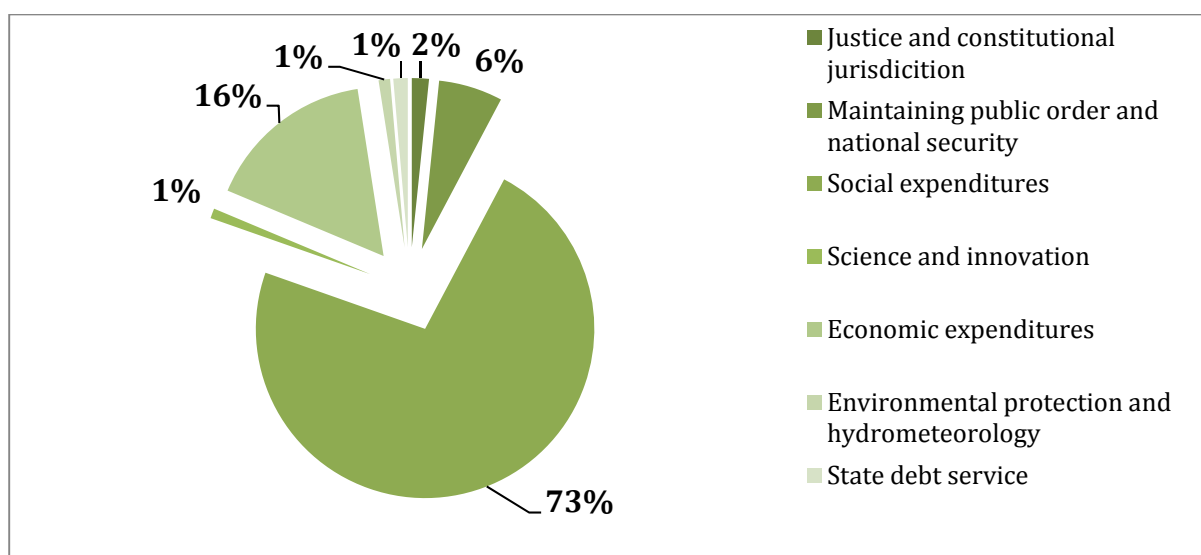
**Figure 3.1.6. Evolution of national public budget's expenses as a share of GDP during 2009-2013 (million MDL)**

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

In the fourth quarter of 2013, the expenditures of the national public budget were executed in amount of 12221.7 million MDL. Compared with the same period of 2012, the expenditures of national public budget increased with 1606.1 million MDL or by 15.1%.

In 2013, the expenditures of state budget on all components were executed in amount of 23901.8 million MDL, less with 633.7 million MDL or at the level of 97.4% compared to the annual forecast, which is with 2226.5 million MDL or by 10.3% more compared with 2012. **The budgets of administrative-territorial units** incurred expenses in amount of 9536.6 million MDL, less with 704.2 million MDL or at the level of 93.1% compared with the annual forecast, which is with 616.0 million MDL or by 6.9% more compared with 2012. The expenditures of **state social insurance budget** were executed in an amount of 10735.3 million MDL, less with 30.5 million MDL or at the level of 99.7% compared to the annual forecast, with 980.2 million MDL or 10.0% more than in 2012. The expenditures of **mandatory health insurance funds** were executed in amount of 4226.1 million MDL, less with 93.2 million MDL or at the level of 97.8% compared with the annual forecast and with 274.9 million MDL or by 7.0% more compared with 2012.

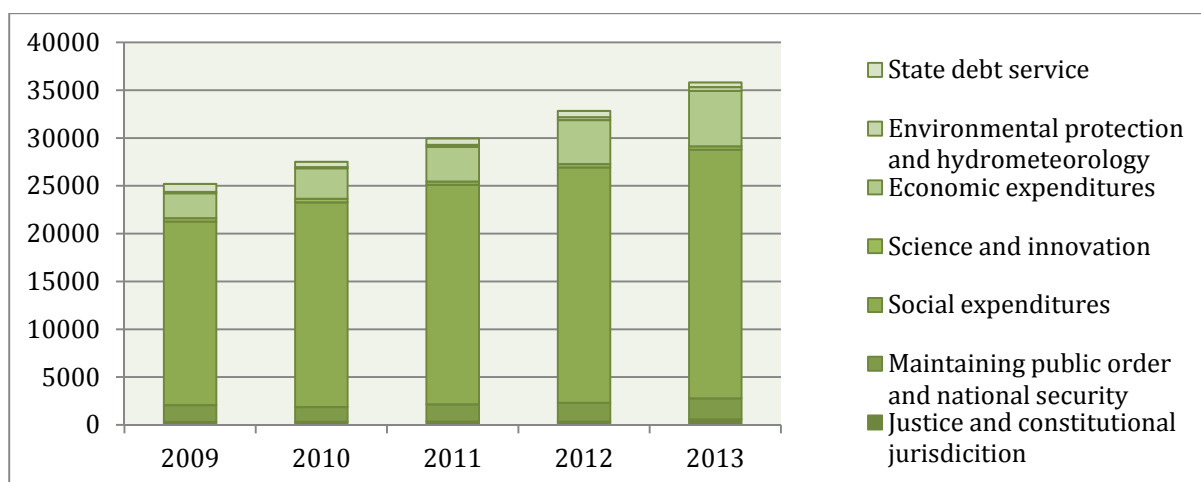
Analyzing the structure of NPB expenditures in 2013 it is to note that the predominant part continues to be social expenditures (73%), their share declined by 2 percentage points compared with the same period of previous year.



**Figure 3.1.7. Structure of expenditures in the national public budget in 2013, million MDL**

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

Overall, during the years 2009-2013, there was a tendency of growth for social expenditures and for the ones related to justice and constitutional jurisdiction which decreased in 2012 compared with 2011 and rebound in 2013. It is worth mentioning that the expenditures for economic purposes accelerated in 2013. Spending for science and innovation registered a negative trend, unlike spending on environmental protection, which showed a positive trend.



**Figure 3.1.8. Structure of expenditures in the national public budget during 2009-2013, million MDL**

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

From the total expenditure, social expenditures have the largest share (67.3%). Social expenditures were executed in 2013 more than in 2012 by 5.7% or with 1.3998 million MDL. In 2013, from the total social expenditures, the largest share had insurance and social assistance expenditures (48.8%), which increased with 1.0875 million MDL (+9.4%) compared with 2012, this was recorded under the circumstances of growth for other social expenditures (health – 10.0%) and decrease of other expenditure components (education – decreased by 4.5%). However, the most accelerated growth recorded the expenditures for culture, arts, sports and youth activities, which increased with 165.9 thousand MDL or by 19.5%.

Another important component of public expenditures is the expenditures for economic purposes, the share of which in 2013 accounted for 15.0%. In absolute values, economic expenditures

incurred in 2013 increased compared with 2012 by 25.8% or with 1191.0 thousand MDL. The main components of economic expenditures are transport, road management, communications and computer science, which in 2013 accounted for 46.2% of the total economic expenditures. The share of these expenditures increased by 27.9% compared to the same period of the previous year. The biggest increase was registered by the expenses related to communal and household housing fund, which grew by 44.9%, followed by the expenditures related to fuel and energy complex (+ 33.7%) and expenses related to agriculture, forestry, fisheries and water management (+ 8.8%).

### *Budget's financial result*

The execution of the national public budget in 2013 recorded a deficit in amount of 1764.6 million MDL.

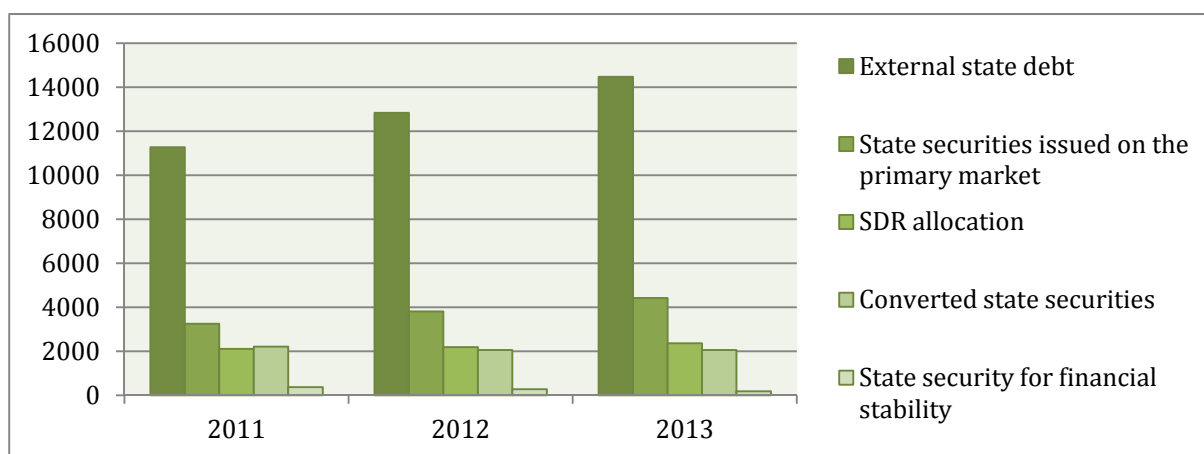
The financing sources of the deficit were:

- revenues from state securities (+610.0 million MDL);
- redemption of state securities issued to ensure financial stability (-93.1 million MDL);
- loans from external sources (+1271.3 million MDL);
- reimbursement of principal (-683.3 million MDL);
- resources from the sale and privatization of public patrimony (+92.5 million MDL);
- change of balances (+130.8 million MDL);
- other sources (+137.2 million MDL).

**Balances of the accounts of the national public budget** compared to the beginning of the year decreased with 199.1 million MDL and as of December 31, 2013 reached 2802.3 million MDL. Balances of the **state budget** compared to the beginning of the year, decreased with 130.8 million MDL and as of December 31, 2013 reached 1619.3 million MDL. Balances of the **budgets of administrative-territorial units** compared to 1 January 2013 increased with 123.1 million MDL and as of December 31, 2013 reached to 819.7 million lei. Balances of the **state social insurance budget** were 78.9 million MDL, decreasing with 126.3 million MDL compared with the beginning of the year. Balances of the **mandatory health insurance funds** were 284.4 million MDL decreasing with 65.1 million MDL compared with the beginning of the year.

### *State debt*

As of 31<sup>st</sup> December 2013, the state debt balance increased compared to the end of 2012 with 2336.8 million MDL or by 11% and reached 23521.5 million MDL.

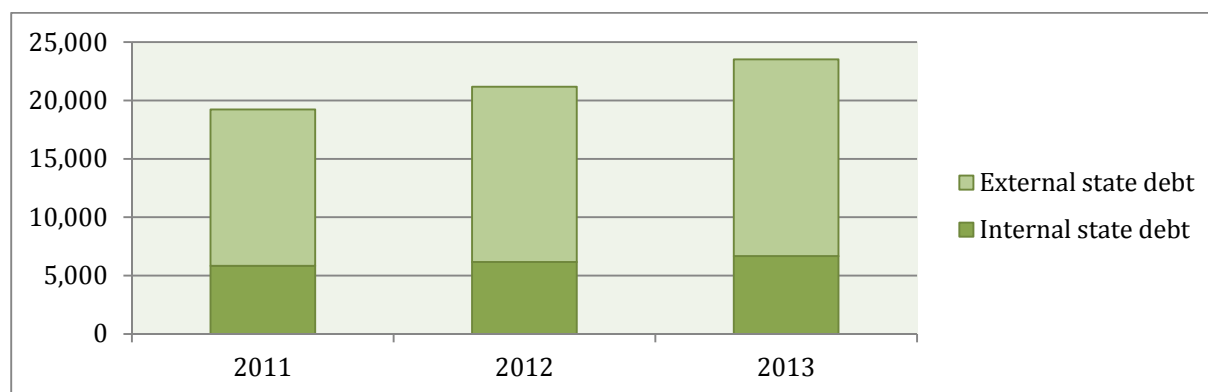


**Figure 3.1.9. Structure of state debt during 2011-2013, million MDL**

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

The evolution of state debt components is influenced by a general increasing trend of external loans and securities issued on the domestic market and reduced government securities for financial stability.

As of 31<sup>st</sup> December 2013, state debt constituted 71.6% – external state debt and 28.4% – domestic state debt. In dynamic, it is observed that the share of external state debt increased compared with the similar situation in 2011 by about 0.7 percentage points. However, the growth rate is twice lower than the growth rate of external state debt in 2012 compared to 2011, which was 1.7 percentage points.



**Figure 3.1.10. Structure of state debt on types during 2011-2013, million MDL**

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

### *Domestic state debt*

As of 31<sup>st</sup> December 2013, the domestic state debt reached 6675.8 million MDL, of which:

- a) state securities issues on primary market – 4426.1 million MDL (66.3%);
- b) state securities issued to ensure financial stability – 186.9 million MDL (2.8%);
- c) convertible state securities – 2062.8 million MDL (30.9%).

From the beginning of 2013, domestic state debt increased with 516.9 million MDL or by 8.4%. The change of domestic state debt balance occurred largely at the expense of increasing the issuance of state securities on the primary market.

Analyzing the domestic state debt depending on the maturity as of 31.12.2013, it is to be noticed that the largest share has short-term domestic state debt (97.0%), followed by midterm domestic state debt (3.0%), long term domestic state debt is missing entirely. Thus, can be emphasized the trend stated in previous editions, and namely the increase of the share of short term domestic state debt.

### *External state debt*

As of December 31, 2013, the balance of external state debt reached 16845.7 million MDL. Since the beginning of 2013, the balance of external state debt expressed in MDL increased with 1820.0 million MDL or by 12.1%. This increase is due to the increase in the balance of external state debt denominated in U.S. Dollars and the exchange rate fluctuations of the national currency against the U.S. Dollar.

In the structure of external state debt by instruments as of 31<sup>st</sup> December 2013, foreign state loans have the major share of 85.9%, characterized by an upward trend compared with the situation at the end of 2012 (+0.4 percentage points), the share of SDRs being of 14.1%.

Depending on *debt currency composition*, external debt is examined without the decomposition of SDRs and with the decomposition of SDRs.

**Table 3.1.1. Structure of external state debt on currencies, % as a share of total external debt**

Currency type	DST	USD	EURO	JPY	GBP	WPU
<b>With the decomposition of SDRs</b>	-	42.2	42.3	6.8	8.5	1.0
<b>Without the decomposition of SDRs</b>	71.7	11.5	15.2	6.2	8.6	0.7

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

The structure of external state debt *by creditors*, multilateral creditors continue to be the main creditors of the Government of the Republic of Moldova. External state debt to multilateral creditors, as of 31<sup>st</sup> December 2013 reached 85.8% of the total balance of external state debt, owed to bilateral creditors – 13.9%, to commercial lenders – 0.3%. The largest share in the balance of external state debt to multilateral creditors belongs to IDA which holds 41.4%, followed by the IMF – with 25.4%, the EIB – with 6.7%, IFAD – 4.9% etc.

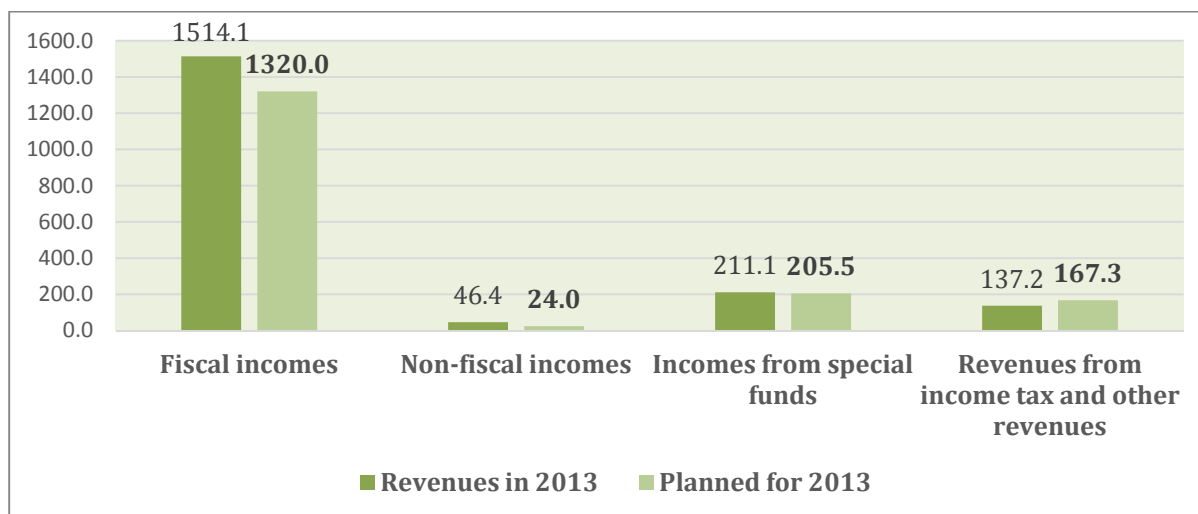
As evolution, it is observed an upward trend of external state debt to multilateral creditors. At the same time, the external state debt to bilateral creditors and to the commercial ones continued to decline.

Analyzing external state debt *depending on maturity* of 31.12.2013, it appears that it is composed mostly of long-term external state debt (81.2%) – a situation that differs from that of the same period of 2012, since two more items have been added – midterm external public debt (about 14.9%) and short-term external public debt (about 3.9%).

#### *Public finances of the region of the left side of the Dniester river*

In 2013, the revenues of the region of the left side of the Dniester river budget amounted 2353.5 million MDL, which represents 6.4% of total revenues collected on the controlled territory of the Republic of Moldova, of which 1827.3 million MDL tax revenues (77.6%); 56.0 million MDL non-tax revenues (2.4%); 254.8 million MDL revenues of earmarked funds (10.8%) and 165.6 million MDL revenues from entrepreneurial activity and other revenues (7.0%).

The collection of budgetary revenues in 2013 was by 21.5% higher as compared with the same period of 2012. Compared with planned values, the collection increased by 14.7%.



**Figure 3.1.11. Structure of revenues in the region of the left side of the Dniester river compared with the forecast 2013, million MDL**

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

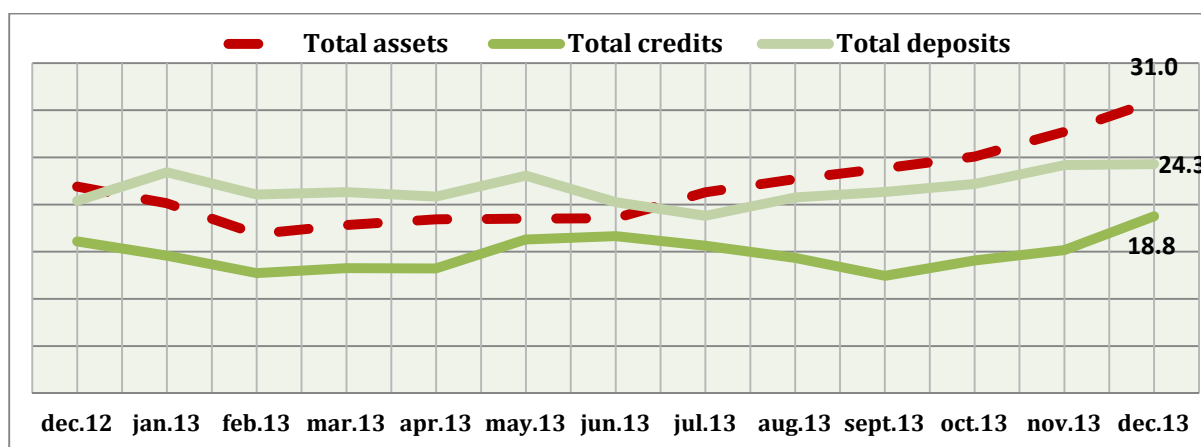
It should be noted that about 20% of the Transnistria's budget is formed of material assistance received from the Russian Federation.

The region of the left side of the Dniester river's budget expenditures accounted 2885.9 million MDL or 7.5% of the total expenditure incurred on the Moldovan-controlled territory, which constitutes 88.4% of the set expenditures plan. The main area of expenditures has represented social spending, which accounted for 80.2% of total expenditures.

### 3.2. Banking sector

In 2013, the overall banking sector of the Republic of Moldova continued to be stable, with sufficient liquidity and good capitalization, which allowed banks resist various shocks and unpredictable disturbances. Therefore, in 2013 compared with 2012, the following changes have been recorded in regard with key indicators of banking sector:

- Total assets increased by 31%, up to 76183,9 million MDL;
- Balance of banking credits increased by 18.8%, up to 42690.6 million MDL;
- Balance of banking deposits increased by 24,3%, up to 45081,6 million MDL;
- New credits increased by 64.4%, up to 5131.1 million MDL;
- New deposits increased by 4%, up to 2904,5 million MDL;
- Non-performing loans decreased from 14.5% to 11.8%.



**Figure 3.2.1. Annual growth rate of banking assets, deposits and loans in 2013, %**  
*Source:* Authors calculations in accordance with data provided by the National Bank of Moldova.

**Table 3.2.1. Evolution of banking assets by volume and structure, %**

Indicator	December 31 <sup>st</sup> 2012	December 31 <sup>st</sup> 2013
	% of total assets	
<b>Total assets, of which:</b>	<b>100</b>	<b>100</b>
<b>1. Cash and cash equivalents</b>	<b>24.6</b>	<b>32.3</b>
<b>2. Financial assets for trading</b>	<b>0.3</b>	<b>0.2</b>
<b>3. Financial assets for sale</b>	<b>0.6</b>	<b>0.6</b>
<b>4. Loans and receivables</b>	<b>62.3</b>	<b>56.9</b>
<b>5. Investments held up to maturity</b>	<b>5.8</b>	<b>5.2</b>
<b>6. Tangible assets</b>	<b>2.9</b>	<b>2.5</b>
<b>7. Intangible assets and tax receivables</b>	<b>0.6</b>	<b>0.4</b>
<b>8. Other assets</b>	<b>2.8</b>	<b>1.8</b>

*Source:* Authors calculations in accordance with data provided by the National Bank of Moldova.

In 2013, the *total assets of the banking sector* totaled 76183.9 million MDL, increasing by 31% compared with 2012. On 01/31/2014 the *total assets of the banking sector* totaled 77327.9 million MDL, increasing by 1.5% compared to 12/31/2013. In 2013, the largest share of total assets referred to credits portfolio with 57.3%. Accordingly, there is a decrease in income-generating assets as a share of total assets, from 62.3% in 2012 to 56.9% in 2013.

As of December 31<sup>st</sup>, 2013 the *balance of credits in the economy* was 42690,6 million MDL, decreasing by 18,8% compared with December 31<sup>st</sup>, 2012. Increasing trends were due to the increase of balance of credits in national currency by 22.9%, and respectively of the balance of foreign currency loans by 13.2%. In late January 2014, the balance of loans in the economy totaled 42996.4 million MDL, increasing by 19.6% compared with the end of January 2013.

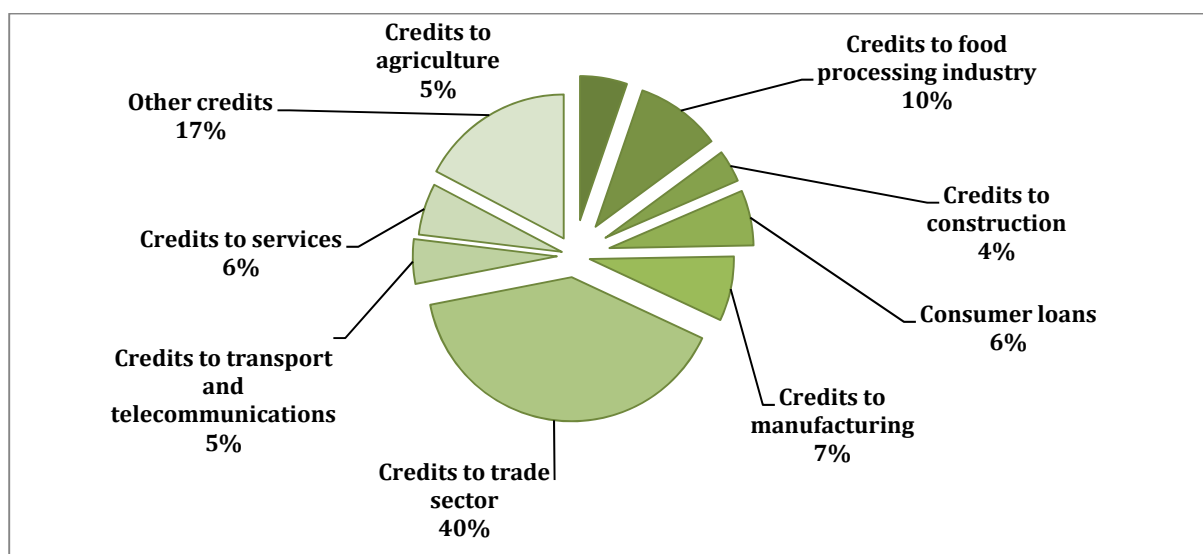
**Table 3.2.2. Structure of credits in the economy of the Republic of Moldova, %**

Indicator		December 31 <sup>st</sup> 2012	December 31 <sup>st</sup> 2013
		% of total assets	
<b>Total credits, of which:</b>		<b>100</b>	<b>100</b>
1.	<b>State enterprises</b>	<b>4.2</b>	<b>3.8</b>
2.	<b>Private sector</b>	<b>77.9</b>	<b>78.4</b>
3.	<b>Nonbanking financial sector</b>	<b>2.8</b>	<b>3.0</b>
4.	<b>Other resident sectors (individuals), including:</b>	<b>15.1</b>	<b>14.8</b>
4.1.	<b>Consumer loans</b>	<b>6.3</b>	<b>6.4</b>
4.2.	<b>Loans for real estate</b>	<b>4.1</b>	<b>4.2</b>
4.3.	<b>Other loans</b>	<b>4.7</b>	<b>4.2</b>

**Source:** Authors calculations in accordance with data provided by the National Bank of Moldova.

In 2013, the increase of credits in MDL was due to increased balances of loans granted to all sectors of the economy, thus the biggest growth was influenced by the increase of the balance for credits to private sector by 26.2% and by the increase of real estate loans with 24.7% compared with December 31<sup>st</sup>, 2012. Respectively, the balance of loans to the private sector totaled 70.8% at the end of 2013.

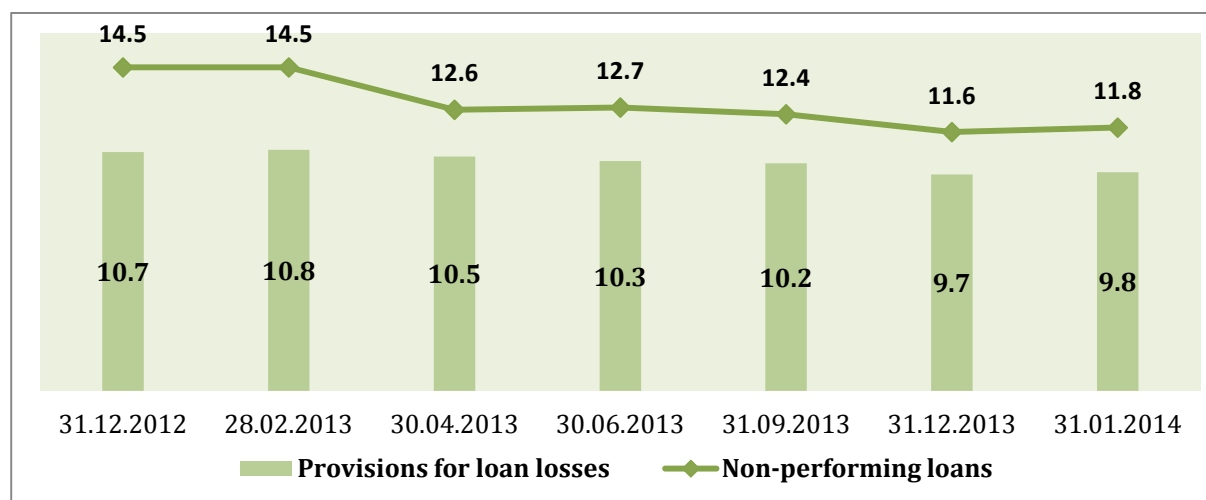
As of December 31<sup>st</sup>, 2013, trade loans had the largest share in total loans (40%), followed by loans to agriculture and food industry (10%), loans to manufacture (7%) and consumer loans (6%).



**Figure 3.2.2. Structure of credit portfolio by sectors, 2013, %**

**Source:** Authors calculations in accordance with data provided by the National Bank of Moldova.

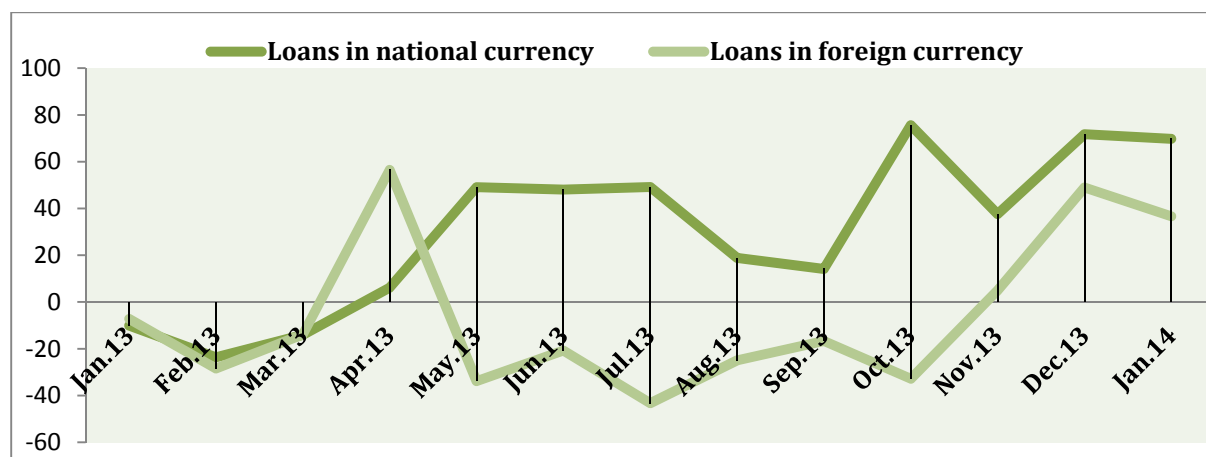
As of December 31<sup>st</sup>, 2013, the amount of non-performing loans (substandard, compromised and doubtful) in absolute terms totaled 4883.0 million MDL, decreasing by 3.7% compared with the end of the previous year. The share in total loans was 11.6% decreasing by 2.9 pp, as compared with December 31<sup>st</sup>, 2013. The same volume of non-performing loans, projected on TNC, was 16.6% on December 31<sup>st</sup>, 2013 and was reduced by 15.3 pp compared with December 31<sup>st</sup>, 2012.



**Figure 3.2.3. Evolution of banking credit quality, %**

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

In December 2013, the average interest rate on loans in national currency increased by 0.53 percentage points compared with December 2012, reaching the level of 12.51%, and in January 2014 it reached the level of 12.29%. Thus, in December 2013, the average interest rate on loans in foreign currency amounted to 8.91%, an increase of 0.59 percentage points compared with December 2012 (8.32%), and in January 2014 average interest rate on loans in foreign currency reached the level of 7.83% slightly increasing by 0.31 pp compared with January 2013.



**Figure 3.2.4. Annual growth rate of new credits granted in 2013, %**

**Source:** In accordance with data provided by the National Bank of Moldova.

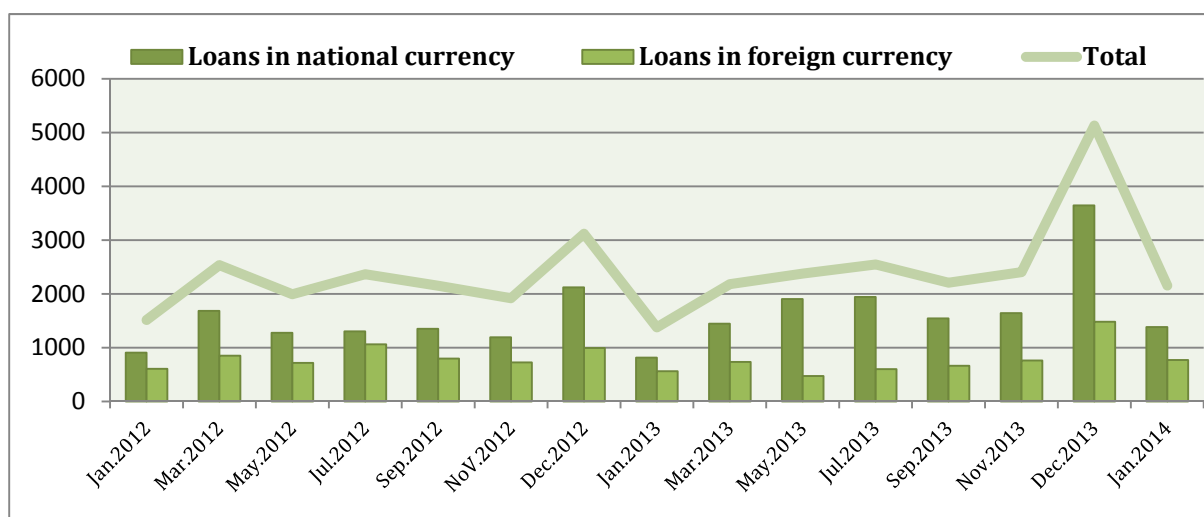
At the end of 2013, there was a growing trend for new loans provided by banks in national currency which increased by 64.4% compared with the same period of the previous year. Thus, in December 2013, the volume of new loans in national currency increased with 1523.4 million MDL, or by 71.7% compared to the same period of the previous year and totaled 2123.9 million MDL. The weighted average of interest rate on new loans during that period was 12.51%, increased by 0.53 percentage points compared with the same period of the previous year.

**Table 3.2.3. Evolution of new credit by volume and structure during 2011-2013**

	December 2011		December 2012		December 2013	
	Million MDL	Foreign currency Million MDL	Million MDL	Foreign currency Million MDL	Million MDL	Foreign currency Million MDL
<b>Up to 1 month</b>	374.52	60.54	58.42	62.28	392.5	208.9
<b>1-3 months</b>	53.59	5.88	39.35	10.86	51.3	0.5
<b>3-6 months</b>	385.21	141.96	200.49	67.44	80.5	26.7
<b>6-12 months</b>	195.50	198.37	351.63	123.29	513.1	73.9
<b>Over 12 months</b>	1370.69	1960.36	1474.02	732.44	2609.9	1173.8
<b>Total</b>	<b>2379.51</b>	<b>2367.11</b>	<b>2123.91</b>	<b>996.31</b>	<b>3647.3</b>	<b>1483.8</b>
<b>Average interest rate, %</b>	<b>13.96</b>	<b>7.67</b>	<b>11.98</b>	<b>8.32</b>	<b>12.51</b>	<b>8.91</b>

**Source:** In accordance with data of the National Bank of Moldova.

In December 2013, the volume of new loans in foreign currency (expressed in MDL) increased with 487.5 million MDL or by 48.9% compared with December 2012 reaching 1483.8 million MDL. The weighted average interest rate on these loans was 8.91% during the respective period, increasing by 0.59 pp.



**Figure 3.2.5. Evolution of new credits, million MDL**

**Source:** In accordance with data of the National Bank of Moldova.

Analyzing market concentration index (Herfindahl-Hirschman Index) as of December 31<sup>st</sup>, 2013, it can be noted that banking sector falls within a banking market with a moderate concentration (1298.6 points) – by the amount of deposits and (1385.3 points) – where the amount of loans (see table 3.2.4).

At the end of 2013, Moldova-Agroindbank CB maintained market leadership by loans with a share of 22.8%, a position that it cannot lose too soon (with a total balance of 9184 million MDL, increasing by 24% compared with December 2012), followed by Victoriabank CB which had the second place on banking credits market with a share of 16.6% as of December 31<sup>st</sup>, 2013.

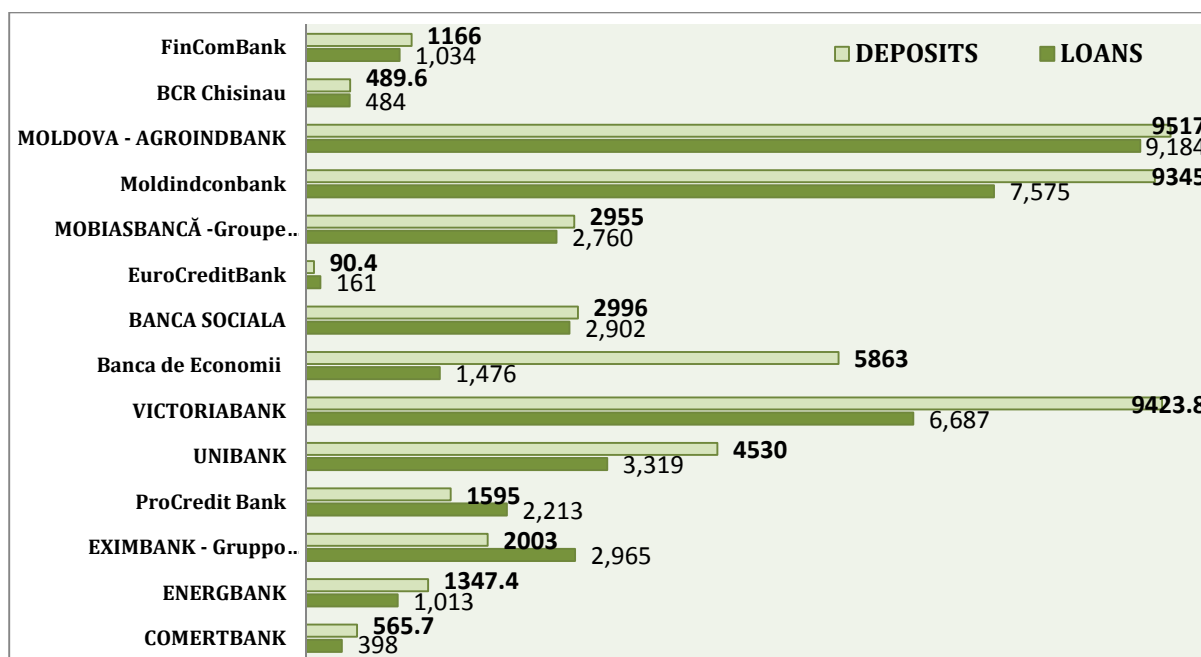
Regarding the structure of deposits, at the end of 2013, Victoriabank lost its leading position in the banking market, registering a balance of 9423 million MDL of contracted deposits, thus the leader by balance of contracted deposits is Moldova-Agroindbank with a total amount of deposits 9517 million MDL, up with 24% compared with December 2012. In 2013, market share of Moldova-Agroindbank decreased by 1 pp compared with 2012, reaching 18.3%.

Table 3.2.4. Market concentration in the banking sector, %

Nr.	Bank	Market share by volume of credits (%)		Market share by volume of deposits (%)	
		December 31 <sup>st</sup> , 2012	December 31 <sup>st</sup> , 2013	December 31 <sup>st</sup> , 2012	December 31 <sup>st</sup> , 2013
1	BC "MOLDOVA - AGROINDBANK" S.A.	21.7	22.8	19.3	18,3
2	B.C. "VICTORIABANK" S.A.	16.8	16.6	20.6	18,2
3	BC "Moldindconbank" S.A.	17.5	18.8	15.6	18,0
4	B.C. Banca de Economii S.A.	6.5	3.7	13.3	11,3
5	B.C. "EXIMBANK - Gruppo Veneto Banca" S.A.	1.9	2.5	5.2	3,9
6	BC "BANCA SOCIALA" S.A.	8.7	7.2	5.3	5,8
7	BC "MOBIASBANCA - GroupeSocieteGenerale" S.A.	6.4	6.9	5.5	5,7
8	B.C. "UNIBANK" S.A.	6.0	8.3	3.2	8,7
9	B.C. "ProCredit Bank" S.A.	5.6	5.5	2.9	3,1
10	B.C. "ENERGBANK" S.A.	2.8	2.5	3.2	2,6
11	B.C. "FinComBank" S.A.	2.6	2.6	2.7	2,2
12	BCR Chişinau S.A.	1.9	1.2	1.4	0,9
13	B.C. "COMERTBANK" S.A.	1.2	1.0	1.4	1,1
14	BC "EuroCreditBank" S.A.	0.6	0.4	0.4	0,2
Indicator HHI (point)		1309,8	1385.3	1341.6	1298.6
Indicator CR-4 (%)		64,7	66.5	68.8	65.8

**Source:** Authors calculations in accordance with data provided by the National Bank of Moldova.

During the analyzed period, despite the events of 2013, the *financial institution Savings Bank (Banca de Economii)* recorded a downward trend of its key indicators (deposits and loans). Thus, on December 31<sup>st</sup>, 2013 by the amount of credits, the financial institution had a market share of 3.7% less by 2.8 pp as compared with December 31<sup>st</sup>, 2012. Therefore, on December 31<sup>st</sup>, 2013 the financial institution has granted fewer loans (outstanding loans – 1476million MDL) with 706 million MDL or by 32.3% less than on December 31<sup>st</sup>, 2012. During the same period under review, the institution attracted bank deposits with 652 million MDL or by 10.6% more as compared with December 31<sup>st</sup>, 2012.

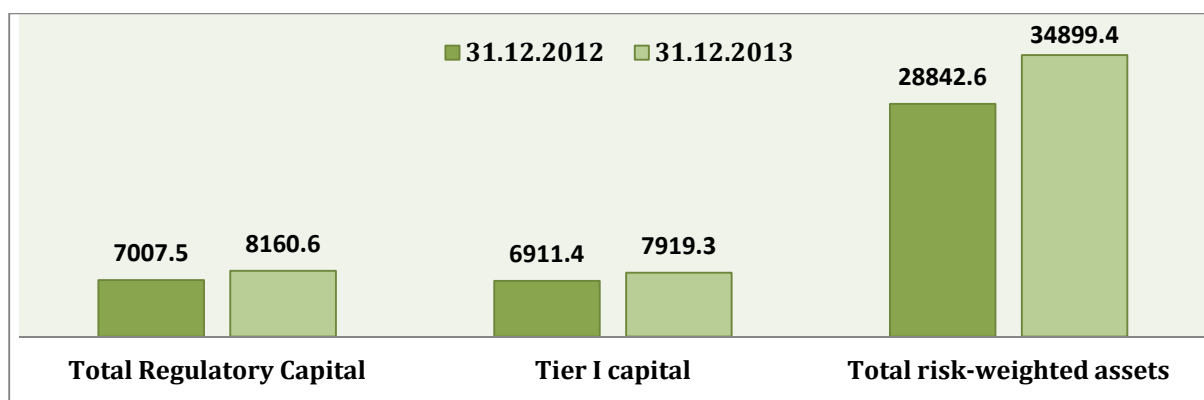


**Figure 3.2.6. Deposits and credits in banking sector as of December 31<sup>st</sup>, 2013, million MDL**

**Source:** In accordance with data of the National Bank of Moldova.

The total number of *employees in the banking system* as of December 31<sup>st</sup>, 2013 reached 10 933 people, less by 240 people, compared with December 31<sup>st</sup>, 2012. Respectively, on average each employee of the banking sector accounted for assets worth 7.0 million MDL, increasing by 1.8 pp compared with December 31<sup>st</sup>, 2012.

*Total regulatory capital*, the determinant of banking solvency, on December 31<sup>st</sup>, 2013 in the entire banking sector constituted 8160.0 million MDL, increasing by 16.4% as compared with December 31<sup>st</sup>, 2012. At the end of January 2014, *total regulatory capital* reached 7849.0 million MDL increasing by 11.2% compared with the same period of the previous year. Thus, the risk-weighted assets in December 2013 reached 34899.4 million MDL, increasing by 21% compared with December 2012.



**Figure 3.2.7. Evolution of capital in the banking sector, million MDL**

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

*Tier I capital*, on December 31<sup>st</sup>, 2013, increased by 14.5% or up to 7919.3 million MDL compared with December 31<sup>st</sup>, 2012. In January 2014, this indicator increased by 11.2% over the same period of the previous year. Therefore, all commercial banks in Moldova have an

appropriate degree of tier I banking capital which corresponds with the minimum required capital of 200 million MDL.

On December 31<sup>st</sup>, 2013, the share of foreign investments in the statutory capital of banks reached 72.2%, increasing by 0.5 pp compared with December 31<sup>st</sup>, 2012, this situation is explained by the increase of statutory capital based on investments of non-resident shareholders with 16.9%.

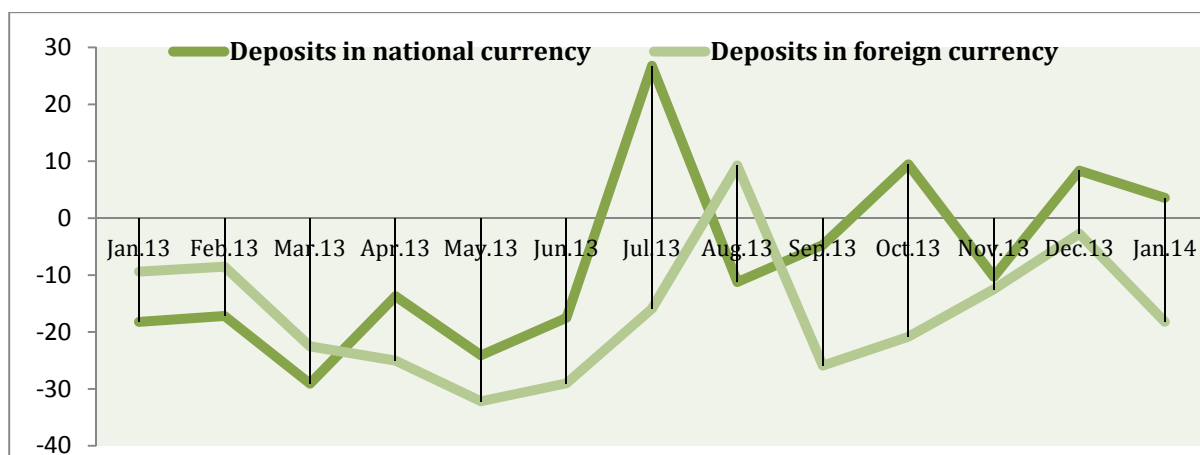
On December 31<sup>st</sup>, 2013, *bank bonds* reached 64752.9 million MDL increasing by 34.7% compared with the same period of the previous year.

**Table 3.2.5. Evolution of bank bonds by volume and structure, %**

Indicator:	December 31 <sup>st</sup> , 2012	December 31 <sup>st</sup> , 2013
	% in total bonds	
<b>Total bonds, of which:</b>	<b>100</b>	<b>100</b>
<b>1. Financial liabilities assessed at harmonized cost</b>	<b>98.51</b>	<b>98.6</b>
<b>2. Provisions</b>	<b>0.17</b>	<b>0.14</b>
<b>3. Tax liabilities</b>	<b>0.69</b>	<b>0.58</b>
<b>4. Other liabilities</b>	<b>0.62</b>	<b>0.66</b>

**Source:** Authors calculations in accordance with data provided by the National Bank of Moldova.

On December 31<sup>st</sup>, 2013, *the balance of deposits* in the banking system reached 45081.6 million MDL, increasing by 24.3% compared with December 31<sup>st</sup>, 2012, as a result of increased deposits in national currency by 27.2% representing a share of 61.5% and of deposits in foreign currency – by 20%, accounting for 40% of total deposits. Consequently, in January 2014, *the balance of deposits* in the banking system reached 45399.2 million MDL, increasing by 21.6% compared with the same period of the previous year.



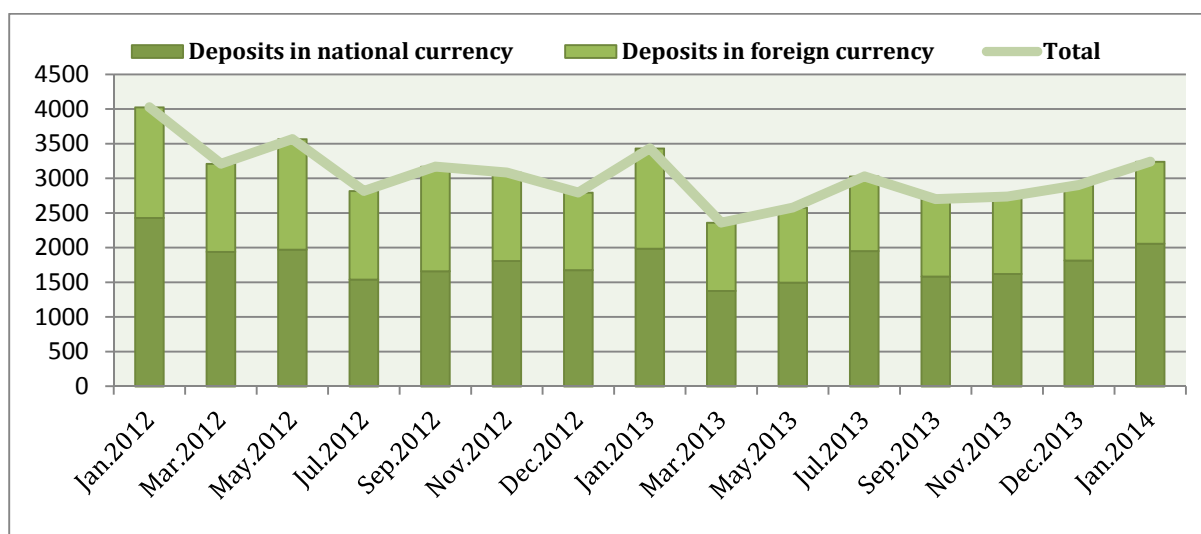
**Figure 3.2.8. Annual growth rate of new deposits contracted in 2013, %**

**Source:** Authors calculations in accordance with data provided by the National Bank of Moldova.

During 2013, the volume of new deposits was characterized by a negative trend, a sharp decline was registered in March 2013, but in the second half of 2013, there has been a slight improvement starting with July 2013. Thus, the *volume of deposits* on December 31<sup>st</sup>, 2013 reached 2904.5 million MDL, increasing by 4% compared with December 31<sup>st</sup>, 2012.

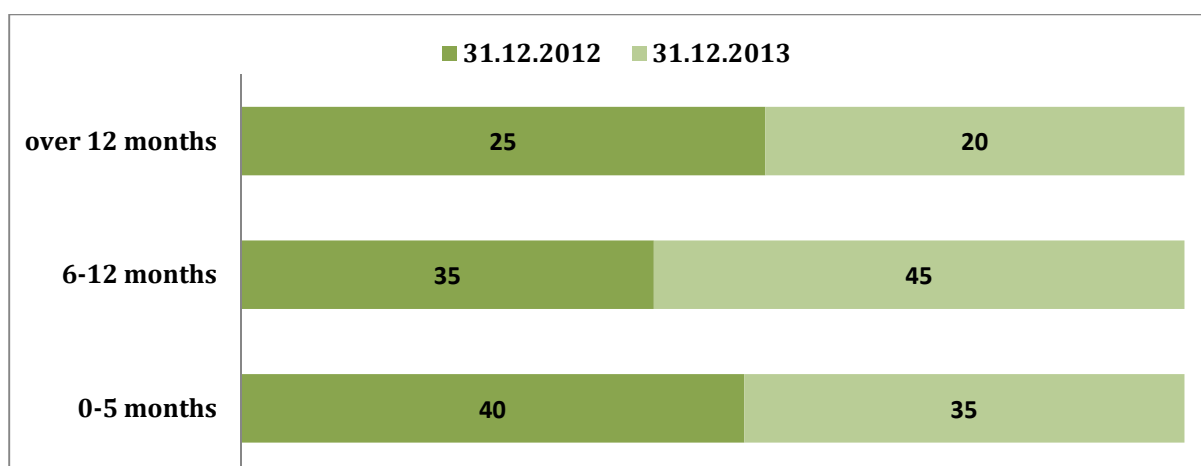
In December 2013, the new time deposits in national currency increased by 8.3% compared with the same period of the previous year registering 1816.8 million MDL, and the new term deposits in foreign currency decreased by 2.7% compared with December 2012. The average

interest rate on term deposits in national currency during the respective period fell by 2.62 percentage points accounting for 5.82%.



**Figure 3.2.9. Evolution of new deposits contracted, million MDL**

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



**Figure 3.2.10. Structure of new deposits by maturity, %**

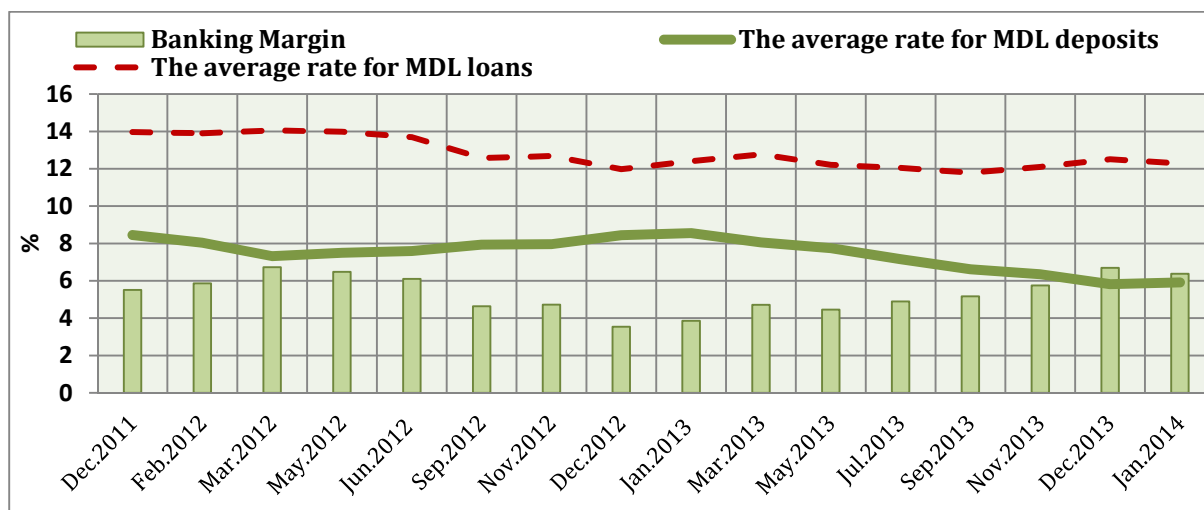
*Source:* Authors calculations in accordance with data provided by the National Bank of Moldova.

*Banking margin* on currency operations in December 2013 recorded a minimum of 6.38%, an increase of 3.15 pp compared with December 2012 and in January 2014 reached the level of 6.38%.

From the beginning of 2013, the average interest rates on loans in national currency increased from 12.41% in January 2013 to 12.5% in December 2013, while in September 2013 was recorded the lowest interest rate throughout the year 2013 reaching 11.79%. Accordingly, the average interest rates on foreign currency loans increased from 7.52% at the beginning of January 2013 till 8.91% in December 2013, up by 1.39 percentage points. The average interest rates on foreign currency deposits decreased from 4.79% in January 2013, till 4.51% in December 2013, dropping by 0.28 pp.

At the end of 2013, the ratio of net income to assets (ROA) was 1.6%, while the ratio of net income to equity (ROE) was 9.4%. With the increase shareholder equity and assets, ROE and ROA increase shows that the net profit growth rate is much higher, this is encouraging. In this

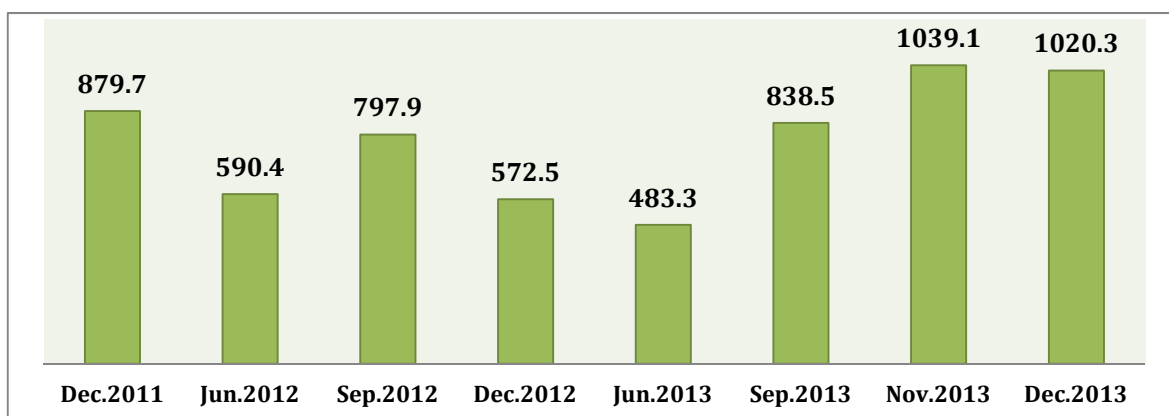
context, in December 2013, the profit of banks in the overall system constituted 1020.3 million MDL, up with 40.6 million MDL or by 78.2%, over the same period of 2012.



**Figure 3.2.11. Evolution of banking margin\*, average interest rates for deposits and credits in MDL, %**

**Source:** Authors calculations in accordance with data provided by the National Bank of Moldova.

*\*Note: Banking Margin was calculated as the difference between average interest rate for MDL deposits and average interest rate for MDL loans.*

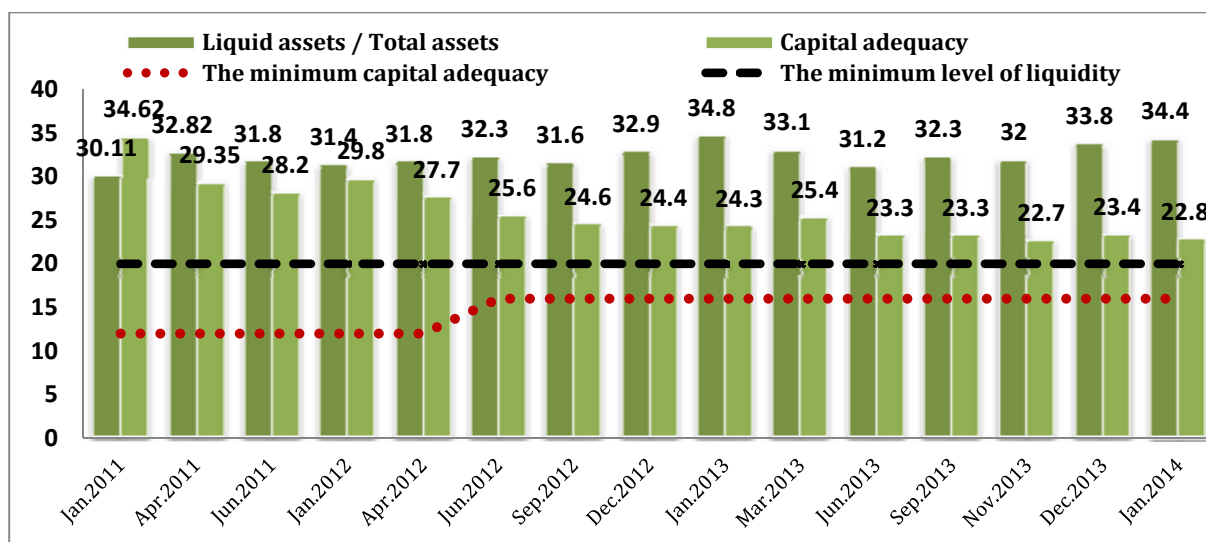


**Figure 3.2.12. Evolution of banking profits, million MDL**

**Source:** In accordance with data of the National Bank of Moldova.

*Capital sufficiency degree* is maintained at a high level, representing 23.4% on December 31<sup>st</sup>, 2013. Although above the required minimum of 16% (until May 2012 the sufficiency of risk weighted capital was 12%), there is a decrease of 0.9 pp of this indicator compared with on December 31<sup>st</sup>, 2012. We consider that the insignificant decrease of banking sufficiency degree is explained by the considerable increase of loan portfolio, which are included in the high risk assets with major risk weight.

*Banking liquidity* can be analyzed both through the share of liquid assets in total assets, as well as through the bonds the bank is obliged to pay. Thus, at the end of December 2012, the share of liquid assets (liquidity principle II) recorded 32.9%, and at the end of December 2013 recorded 33.8%, up 0.9 pp. Long-term liquidity or liquidity principle I for the entire banking system recorded 0.7% as of December 31<sup>st</sup>, 2013. These values of liquidity indicators reveal the existence of adequate resources to sustain bonds payments.



**Figure 3.2.13. Liquidity and capital sufficiency, %**

**Source:** In accordance with data of the National Bank of Moldova.

#### Box 3.2.1. Market trends for bank cards in Moldova during 2013

The evolution of the banking sector in recent years has caused an ever-increasing avalanche of services. International and national electronic payments have grown and diversified permanently. Thus, electronic payments is an engine for economic growth, acting as a "channel" of the banking system representing an important segment of the population, which has as a result the increase of banking liquidity.

The National Bank of Moldova has the main function – supervision of payment system in Moldova and facilitate the efficient functioning of the interbank payment system set by *the Law on the National Bank of Moldova no. 548-XIII of 21.07.95*.

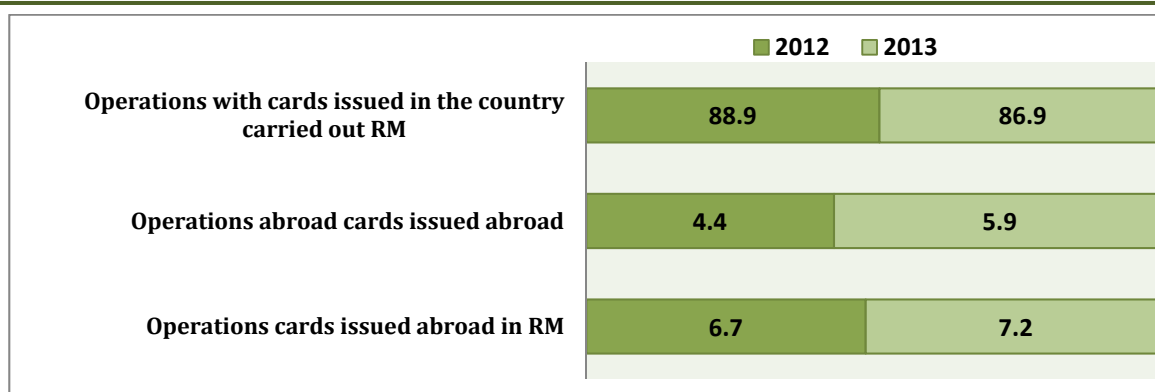
In Moldova this payment instrument is used in accordance with the "Regulation on bank cards," which defines the notion of bank card as "a standardized information and personalized support through which the owner, usually with the use of the personal identification number and / or of other codes enabling its identification, has remote access to its bank account in order to perform certain operations provided by the issuing bank."

During the period 2012-2013 the number of bank cards in circulation increases keeping the existing growth rates. Thus, the withdrawals continued to dominate the card operations in the Republic of Moldova. Main indicators proving this are:

- Increasing the *number of cards in circulation* from 1011.6 thousands units at the end of December 2012 to 1150.9 thousands units at the end of December 2013, up by 13.8%;
- Increasing the *number of cards issued* during the period under review reached 403.7 thousands units on December 31<sup>st</sup>, 2013, up by 12.4% compared with December 31<sup>st</sup>, 2012;
- Reducing the *number of cards removed* from circulation by 2.1% over the same period of the previous year reaching 264.6 thousands units.

The transactions with cards issued in Moldova increased essentially. Thus, in 2013, 94.1% of all card transactions were conducted in the Republic of Moldova, of which 86.9% were operations with cards issued in the Republic of Moldova and performed in Moldova, and 7.2% were transactions performed with cards issued abroad and performed in Moldova. Transactions with cards issued in the Republic of Moldova and performed abroad represent a share of 5.9%.

The value of transactions with cards issued in the Republic of Moldova and performed in Moldova was growing, the maximum value was reached in 2013 and constituted 22708.9 million lei, representing an increase of 13.3% over 2012, from which 95.2% were cash withdrawals, and 4.8% non-cash payments.



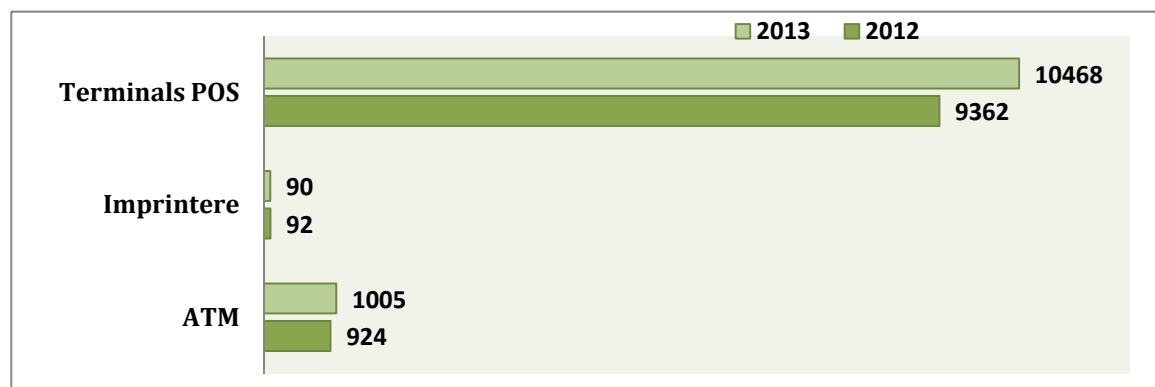
**Figure 3.2.14. Evolution of bank cards by volume and structure, %**

**Source:** Authors calculations in accordance with data provided by the National Bank of Moldova.

The value of transactions with cards issued in Moldova and performed abroad amounted to 1798.5 million lei, representing an increase of 38.7% over 2012, from which withdrawals represented 22.1% and non-cash payments had a share of 77.9%.

The value of transactions with cards issued in abroad and performed in Moldova have exceeded 2665.2 million lei, up by 11.2% compared with the previous year, from which withdrawals represented 66.7% and non-cash payments had a share of 33.3%.

In 2013 Moldova extended its network of special devices for card operations to 11563 units, of which is 10468 units are POS terminals, 90 units are imprinters and 1005 are ATM units. Thus, the number of special devices increased by 11.4% compared with the same period of the previous year. This increase was due primarily to extending the number of POS terminals by 11.8% and the number of ATMs, by 98.8% compared with the same period of the previous year.



**Figure 3.2.15. Evolution of special devices, units.**

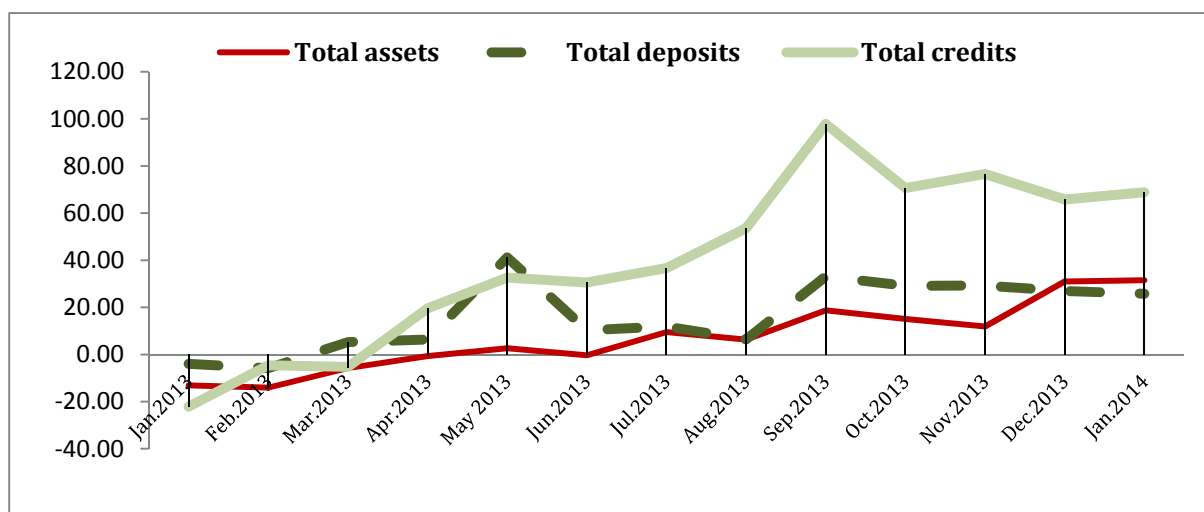
**Source:** According to the data of the National Bank of Moldova.

Commercial banks in Moldova issue both own cards in lei and cards of international payment systems such as VISA, MasterCard, Cirrus Maestro. Bank cards of international payment systems are particularly popular among the citizens of the Republic of Moldova. Thus, bank cards also successfully resolve issues related to transfers, storage and use of funds from Moldova and from abroad.

The analysis shows the increase of the share of non-cash payments and the decrease of cash withdrawals both as total number and value of transactions with cards. The authors found that the Moldovan market is dominated mainly by cash withdrawals, while non-cash payments are recorded in the case of operations performed abroad with the cards issued in the Republic of Moldova. We believe that a positive dynamic will be recorded for non-cash payments if a more rapid development will undergo e-commerce and other mobile applications that allow electronic payments.

*The region of the Republic of Moldova on the left bank of Dniester River.* In 2013, the developments in the banking sector of Transnistria have seen positive trends for key indicators. Total assets of the Transnistrian banking system on January 1<sup>st</sup>, 2014 reached 6425.1 million ruble, the equivalent of 7564.2 million MDL. Compared with January 1<sup>st</sup>, 2013, assets increased by 31% and accounted for 4905.0million ruble, the equivalent of 5570.6 million MDL (on January 1<sup>st</sup>, 2014, the Transnistrian ruble was equivalent to 0.8494 MDL and on January 1<sup>st</sup>, 2013, the Transnistrian ruble was equivalent to 0.8805 MDL).

On January 1<sup>st</sup>, 2014, the banking capital reached 1395.9million ruble, up by 11.2% compared to January 1<sup>st</sup>, 2013 (1255.8 million ruble). Statutory capital of Transnistria's banks constituted on January 1<sup>st</sup>, 2014 the amount of 1043.18 million ruble more than 8.5% compared with January 1<sup>st</sup>, 2013.



**Figure 3.2.16. Annual growth rate of Transnistria's banking assets, deposits loans during 2013,%**

**Source:** Authors calculations in accordance with data provided by the Bank of Transnistria.

On January 1<sup>st</sup>, 2014, the balance of credits granted to the economic sector reached 4203.9 million ruble, an increase by 65.7% compared with January 1<sup>st</sup>, 2013. Loans to individuals in this period amounted to 952.4 million rubles, up by 51.1% compared with January 1<sup>st</sup>, 2013, while the credits to companies amounted to 3251.6 million rubles, up by 70.6% over the same period of the previous year.

January 1<sup>st</sup>, 2013, the balance of bank deposits amounted to 2506.7 million rubles, up by 27% compared with the same period of previous year 1975.4 million ruble. Accordingly, deposits of individuals on January 1<sup>st</sup>, 2014 were 1466.2 million ruble, increasingby 7.79% compared with January 1<sup>st</sup>, 2013 (1360.9 million ruble).

### 3.3. Monetary policy

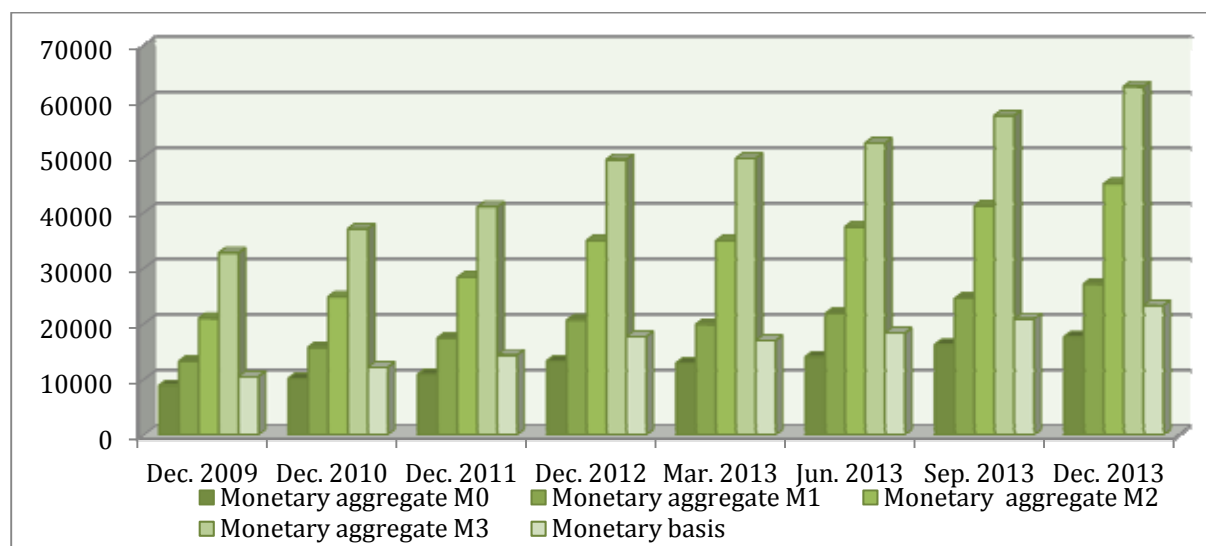
In the recent practice of central banks, monetary analysis plays an important role in the formulation and implementation of monetary policy. This type of analysis focuses on the long-term horizon between money supply and prices and serves as a tool to strengthen the monetary policy signals.

The year of 2013 was marked by high growth rates of monetary aggregates, which was maintained throughout the year. As it is clear from the data at the end of 2013, the volume of money supply increased considerably exceeding by far the level at the end of the previous year. The amount represents an advance in real terms of 9.1% from the end of September 2013 (third quarter 2013) and 26.4% from the end of December of 2012 (the highest in the last five years).

As of 31.12.2013 monetary indicators registered the following values:

- ✓ Monetary aggregate M0 made up MDL 17.55 bln. (as of 31.12.2012 – MDL 13.24 bln.);
- ✓ Monetary aggregate M1 made up MDL 27.11 bln. (as of 31.12.2012 – MDL 20.60 bln.);
- ✓ Monetary aggregate M2 reached the level of MDL 45.11 bln. (as of 31.12.2012 – MDL 34.91 bln.);
- ✓ Monetary aggregate M3 made up MDL 62.63 bln. (as of 31.12.2012 – MDL 49.51 bln.);

During 2013, monetary indicators have experienced an upward trend and were higher compared to 2012 values.



**Figure 3.3.1. Evolution of monetary aggregates and of the monetary base, mln. MDL**

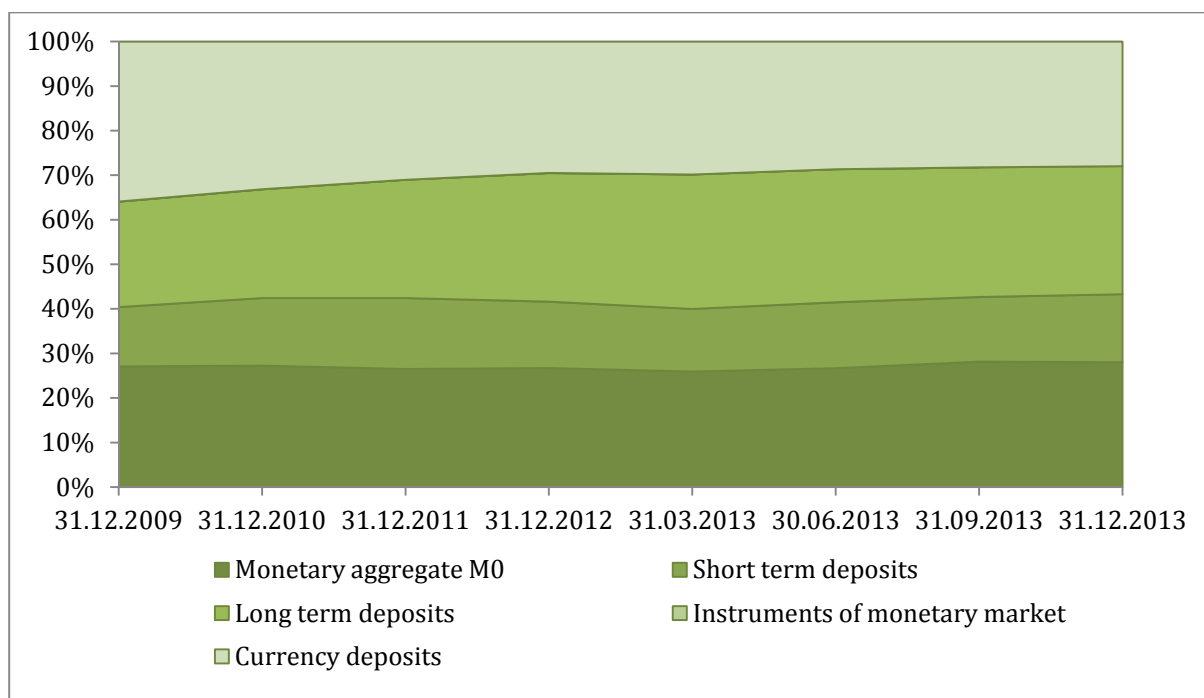
*Source:* According to the data of the National Bank of Moldova.

Monetary base increased as well by 31.8%, representing approximately MDL 23.25 bln. on 31.12.2013 compared to MDL 17.63 bln. registered in the same period of last year.

At the end of year, monetary components of the money supply were distributed as follows: monetary aggregate M0 (currency in circulation) – 28.0%; demand deposits – 15.3%; term deposits – 28.7% and currency deposits – 28.0%. During 2013, there was a slight reduction in the share of foreign currency deposits and term deposits (as of 31.03.2013 foreign currency deposits accounted for 29.8% and term deposits – 30.0%), while the share of money supply in circulation (M0) and demand deposits (as of 31.03.2013 money in circulation amounted to 25.9% and demand deposits to 14.1%). Regardless of changes in the structure of money supply, demand deposits have retained the maximum weight.

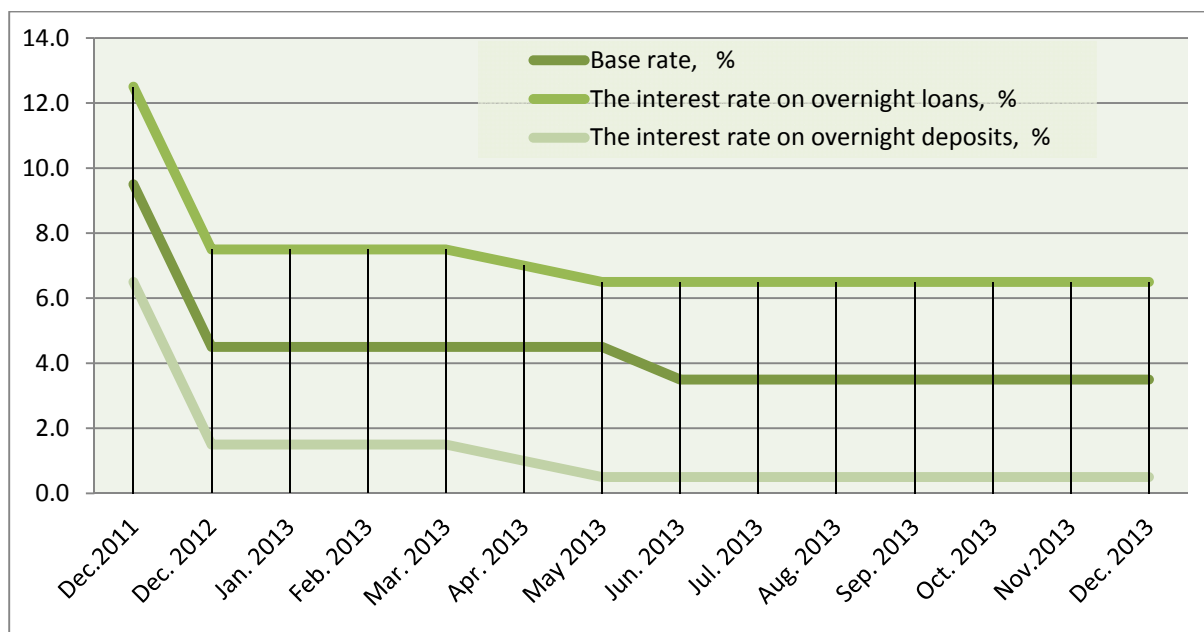
Moderate fluctuation of prices and keeping the annual inflation rate at the level of the last year have helped promote a continued relaxed monetary policy and reducing NBM main monetary policy instruments.

In 2013 some changes were made to the rates of monetary policy instruments. In the second quarter of 2013, the consolidation of disinflation trends, interest rates on monetary policy instruments have been gradually reduced starting with June 2013 and their levels remained constant. Thus, at the end of 2013 the base rate was 3.5%, the interest rate on overnight loans was 6.5% and the overnight deposits interest rate – 0.5%.



**Figure 3.3.2. Structure of money supply M3**

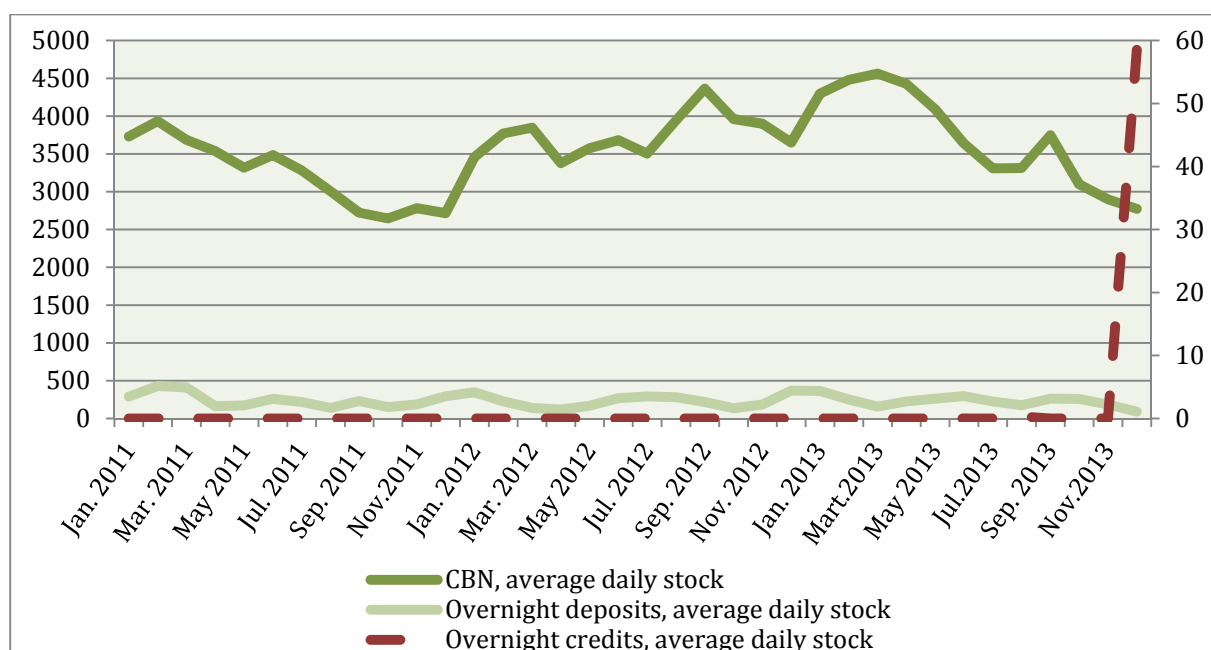
*Source:* According to the data of the National Bank of Moldova.



**Figure 3.3.3. Evolution of interest rates of monetary policy instruments of the National Bank of Moldova, during 2011-2013**

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

In 2013, the evolution of liquidity sterilization operations was characterized by a downward trend. In the course of 2013, the demand for "overnight" deposits experienced a volatile dynamic average daily balance ranging between MDL 91 million (December 2013) and MDL 363.8 million (January 2013). In the same period, commercial banks have requested the NBM to provide "overnight" credit facilities only in August and December in the amount of MDL 0.3 mln. and MDL 58.5 mln., respectively.



**Figure 3.3.4. Monetary policy instruments, mln. MDL**

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

During 2013, NBM has not changed the reserve requirements, maintaining their level at 14%, the same situation continued in the beginning of 2014.

In 2013, the Bank has actively intervened on the forex market. In order to depreciate the MDL against the reference currencies in the third quarter of 2013, NBM significantly increased purchases of foreign currency. The maximum volume of foreign currency purchases was in September with USD 147.18 million being bought on the market. Subsequently, NBM decreased the volume of purchases on the currency market, intervening in October to alleviate the official exchange rate fluctuations of the national currency.

**Table 3.3.1. Purchases of currency conducted by the NBM on the interbank market in 2013**

Month	Volume of procurement, (equivalent in mln. US dollars)
January 2013	1.59
February 2013	12.25
March 2013	13.04
April 2013	35.0
May 2013	25.0
June 2013	15.0
July 2013	91.78
August 2013	131.98
September 2013	147.18
October 2013	21.0
November 2013	0
December 2013	0

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

The balance of official reserve assets at the end of 2013 amounted to USD 2.82 bln. increasing by 12% compared to the same period of 2012. The increase in official reserve assets was due to purchases of foreign currency on the exchange market conducted by the Bank in the third

quarter, and grants to the Ministry of Finance from the European Commission in the fourth quarter.

*The region of the Republic of Moldova on the left bank of the Dniester River*

On 01.01.2014, the money supply in the region of the left side of the Dniester river was 5 946.6 million rubles, an increase of 21.3% compared to the volume of money supply in the same period last year. The left bank is characterized by a high degree of dollarization - on 01.01.2014 this indicator was 64.5%. During the period from January to December 2013 there was an increase in the share of foreign currency from 59.7 to 64.5%.

During 2013, reserve requirements increased by 2 percentage points, which led to the increase in the rate of mandatory reserves to deposits in rubles from 6% to 8% and in foreign currency from 12% to 14%, the change entered into force from May 2013.

In 2013, under moderate inflationary processes, the left bank has resorted to lowering the refinancing rate, which fell from 6.5% to 4.5% in multiple stages.

## Chapter IV

### EXTERNAL SECTOR

#### BALANCE OF PAYMENT

The consolidation trend of the current account of the balance of payments continued in 2013, its deficit amounting to USD 384.7 million, down by 22.3% compared to the previous year.

**Table 4.1. Balance of payments – Current account in 2013 (synthetic presentation)**

Chapter/Sub-chapter	Nominal value, thous. USD			Pace of growth, %	
	2011	2012	2013	2012/ 2011	2013/ 2012
Current account	<b>-784.5</b>	<b>-495.3</b>	<b>-384.7</b>	<b>-36.9</b>	<b>-22.3</b>
<i>Goods</i>	<b>-2869.4</b>	<b>-2924.0</b>	<b>-2978.6</b>	<b>1.9</b>	<b>1.9</b>
Export	2277.1	2228.1	2470.2	-2.2	10.9
Import	5146.5	5152.0	5448.8	0.1	5.8
<i>Services</i>	<b>-2.6</b>	<b>-21.1</b>	<b>-2.6</b>	<b>710.8</b>	<b>-87.9</b>
Export	881.5	936.3	1028.7	6.2	9.9
Import	884.1	957.4	1031.2	8.3	7.7
<i>Revenues</i>	<b>571.5</b>	<b>839.8</b>	<b>884.7</b>	<b>46.9</b>	<b>5.4</b>
Receipts	926.8	1051.8	1160.1	13.5	10.3
Payments	355.2	212.0	275.4	-40.3	29.9
<i>Current transfers</i>	<b>1516.1</b>	<b>1610.0</b>	<b>1711.8</b>	<b>6.2</b>	<b>6.3</b>
Receipts	1614.7	1711.5	1854.2	6.0	8.3
Payments	98.7	101.5	142.5	2.9	40.3

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

In 2013, there was a reduction by 2 percentage points of the pressure exerted by the current account deficit over GDP.

**Table 4.2. Share of the current account in the GDP, %**

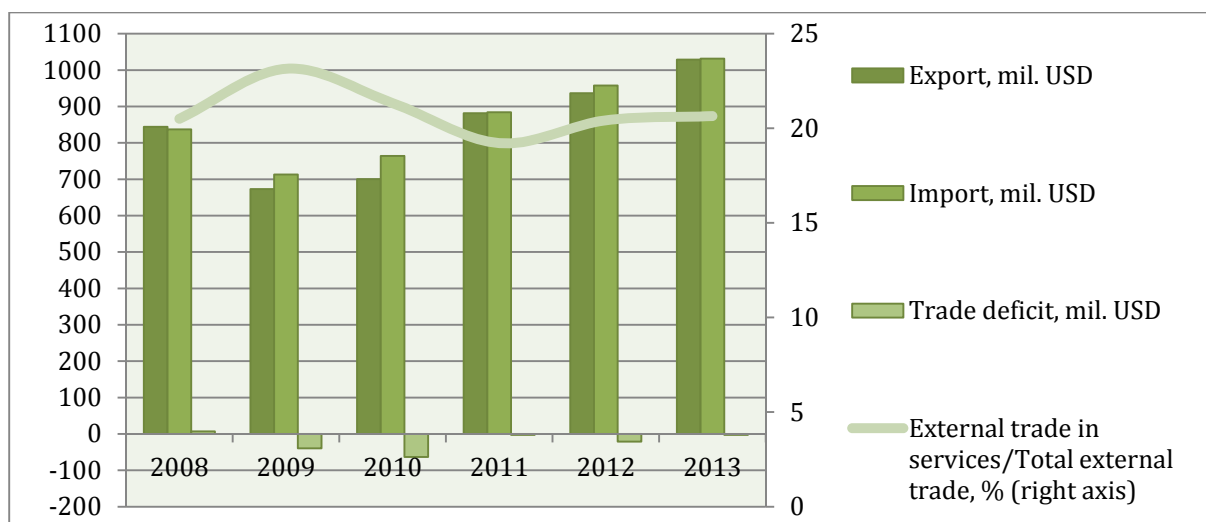
	2008	2009	2010	2011	2012	2013
<b>Share of current account in GDP, %</b>	-16.1	-8.2	-7.8	-11.2	-6.8	-4.8

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

The improvement of the current account situation, happened mainly under the influence of an increased surplus at the expense of current transfers and revenues and reduction of the trade deficit in services.

The evolution of the current account in 2013 can be characterized by the following trends:

- The trade deficit in goods totaled USD 2978.6 million, increasing by 1.9%, due to a temperate increase in the imports of goods;
- Services trade balance had a deficit of USD 2.5 million at the end of 2013. Exports totaled USD 1028.7 million, and imports 1031.2, up by 9.9% and 7.7%. After the crisis of 2009, the foreign trade with services followed a continuous trend of recovery, while its share in total external trade is at a level slightly exceeding 20%.



**Figure 4.1. Evolution of foreign trade with services, 2008-2013**

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

With a significant share in foreign trade with services – transport and travel exert the greatest influence on changes thereof. Shipments have had a significant contribution to the growth of services exports. Similarly, there was a growth in services provided for business travel, construction, financial, royalty and other services provided to residents.

Imports had a modest growth, tempered, mainly under the influence of transport and travel services contracted by Moldovan residents abroad, which made up approximately 72.2% of the total value of imported services.

**Table 4.3. Development of foreign trade with services in 2013**

	Nominal value, thous. USD			Structure, %		Pace of growth, 2013/2012, %	
	Export	Import	Commercial balance	Export	Import	Export	Import
<b>Total</b>	1028.7	1031.2	-2.5	100.0	100.0	9.9	7.7
<b>Transport</b>	410.3	398.2	12.1	39.9	38.6	13.0	4.4
<b>Trips</b>	226.2	346.4	-120.2	22.0	33.6	6.4	4.5
<i>Business trips</i>	63.6	176.2	-112.6	6.2	17.1	11.1	7.7
<i>Personal trips</i>	162.6	170.3	-7.6	15.8	16.5	4.7	1.4
<b>Communication services</b>	137.8	51.6	86.2	13.4	5.0	-1.6	28.5
<b>Construction Services</b>	35.6	35.4	0.2	3.5	3.4	51.1	21.1
<b>Insurance Services</b>	0.7	3.9	-3.2	0.1	0.4	-22.7	-18.8
<b>Financial Services</b>	5.3	6.8	-1.5	0.5	0.7	43.9	-5.0
<b>Computer and information services</b>	62.5	40.1	22.5	6.1	3.9	12.0	7.9
<b>Royalties Services and license fees</b>	6.1	23.0	-16.9	0.6	2.2	34.4	23.0
<b>Other business services</b>	102.6	77.9	24.7	10.0	7.6	11.9	12.1
<b>Personal, cultural and recreational</b>	1.6	2.6	-1.1	0.2	0.3	18.0	70.1
<b>Government services non included somewhere else</b>	40.0	45.3	-5.3	3.9	4.4	2.1	25.0

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

- The balance of the revenue sub-account was USD 884.7 million. It increased by 5.4%, but slowed noticeably compared to the previous year, while there was a reduced growth in receipts from abroad, mainly consisting of the work compensation of residents on the one hand and increased income from investments repatriated by nonresidents on the other hand.
- The sub-account of current transfers had a surplus of USD 1711.8 million, an increase of 6.3% over 2012. An increasing positive balance of current transfers sub account occurred mainly at the expense of increasing personal transfers from abroad by 11.3%, and other non-governmental transfers from abroad.

**The capital account** had a deficit of USD 44.7 million in 2013, an increase of USD 10.9 million. The financial account had a surplus of USD 296.2 million, down 24.9% compared to 2012. The contraction of the financial account surplus was mainly due to the increase of assets in the form of currency and deposits created in the banking sector. Their net value amounted to USD 446 million vs. USD 93 million in 2012. Similarly, there have been recorded a moderate increase in liabilities.

Thus, in 2013, foreign assets (net foreign claims) made up USD 421.8 million and liabilities (external commitments) – USD 762.7 million, representing an increase of 48%, and 3.2% compared to 2012.

**Table 4.4. Balance of payments – capital and financial account in 2013 (summary report)**

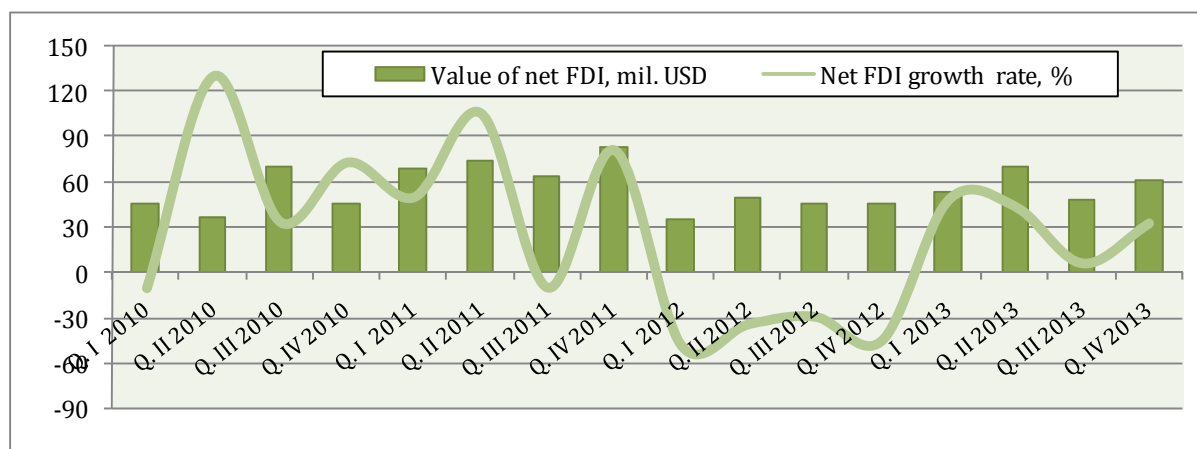
Chapter/Subchapter	Nominal value, thous. USD			Pace of growth, %	
	2011	2012	2013	2012/2011	2013/2012
<b>Capital and financial account</b>	<b>696.8</b>	<b>420.2</b>	<b>296.2</b>	<b>-39.7</b>	<b>-29.5</b>
<b>Capital Account</b>	<b>-29.5</b>	<b>-33.8</b>	<b>-44.7</b>	<b>14.6</b>	<b>32.3</b>
<i>Inflows</i>	22.3	16.0	15.4	-28.6	-3.6
<i>Outflows</i>	-51.8	-49.8	-60.1	-4.0	20.8
<b>Financial account</b>	<b>726.3</b>	<b>454.0</b>	<b>340.9</b>	<b>-37.5</b>	<b>-24.9</b>
<i>FDI</i>	267.6	155.4	203.1	-42.0	30.7
<i>Portfolio Investments</i>	0.0	21.3	9.7	de 711 ori	-54.5
<i>Financial derivatives</i>	0.2	-0.2	0.1	-226.3	-145.8
<i>Other investments</i>	736.6	775.2	411.9	5.2	-46.9
<i>Reserve assets</i>	-278.1	-497.6	-283.8	78.9	-43.0
<b>Assets</b>	<b>-213.0</b>	<b>-285.1</b>	<b>-421.8</b>	<b>33.8</b>	<b>48.0</b>
<i>FDI</i>	-20.6	-19.8	-28.2	-3.8	42.7
<i>Portfolio Investments</i>	-5.2	7.0	-0.4	-235.3	-105.2
<i>Financial derivatives</i>	0.0	-0.2	-0.1	de 24 ori	-50.0
<i>Other investments</i>	90.8	225.6	-109.2	148.4	-148.4
<i>Reserve assets</i>	-278.1	-497.6	-283.8	78.9	-43.0
<b>Liabilities</b>	<b>939.3</b>	<b>739.0</b>	<b>762.7</b>	<b>-21.3</b>	<b>3.2</b>
<i>FDI</i>	288.2	175.1	231.3	-39.2	32.1
<i>Portfolio Investments</i>	5.1	14.4	10.1	179.9	-29.9
<i>Financial derivatives</i>	0.2	0.0	0.2	-100.0	-
<i>Other investments</i>	645.8	549.5	521.1	-14.9	-5.2

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

### Foreign direct investments

Investment activity in 2013 began to recover from the previous year. However, considering the annual decrease of 39.2% of net inflow of foreign direct investment in 2012, the growth of 32% in 2013, was insufficient to reach at least the level of 2011.

The amount of net FDI inflow in 2013 was USD 231.3 million, which resulted in an increase of the stock of foreign direct investment in the economy whose value at the year end was USD 3668.3 million or about 46.2% of GDP. According to 2013 data, the level of FDI per capita in the national economy amounted to USD 1030.6, up USD 62.2 compared with 2012.



**Figure 4.2. Evolution of FDI inflows in 2010-2013**

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

The structure of net FDI flows into in the economy in 2013 was as follows: 70% of investments went into share capital, at the same time compared with 2012, there was an increase in investments from reinvested earnings and other capital investments. Net foreign direct investments made into the share capital amounted to USD 161.5 million, the highest level during the period of 2010-2013. There was an increase of investments into the share capital in the banking sector, compared to the previous year, but there was a decrease in other sectors, although the latter created the crucial component of these investment categories. Similarly, there was an increase of net investments in other forms of capital, registering the highest record in the last five years – USD 60.4 million. Although investments from reinvested earnings were increasing, they registered a very low level – USD 9.4 million of which USD 8.8 million in the banking sector. At the same time, in 2013 was registered a growth of distributed dividends and profits of subsidiaries of non-resident companies.

**Table 4.5. Evolution of net FDI inflows by types of capital**

	Value, thous. USD		Pace of growth, %		Degree of influence, %	
	2012	2013	2012	2013	2012	2013
<b>Net FDI</b>	175.1	231.3	-39.2	32.1	-39.2	32.1
<b>Share capital</b>	144.6	161.5	0.5	11.7	0.2	9.7
<b>Reinvested revenue</b>	-11.0	9.4	-112.7	-185.6	-33.9	11.7
<b>Other capital</b>	41.6	60.4	-27.8	45.2	-5.5	10.7

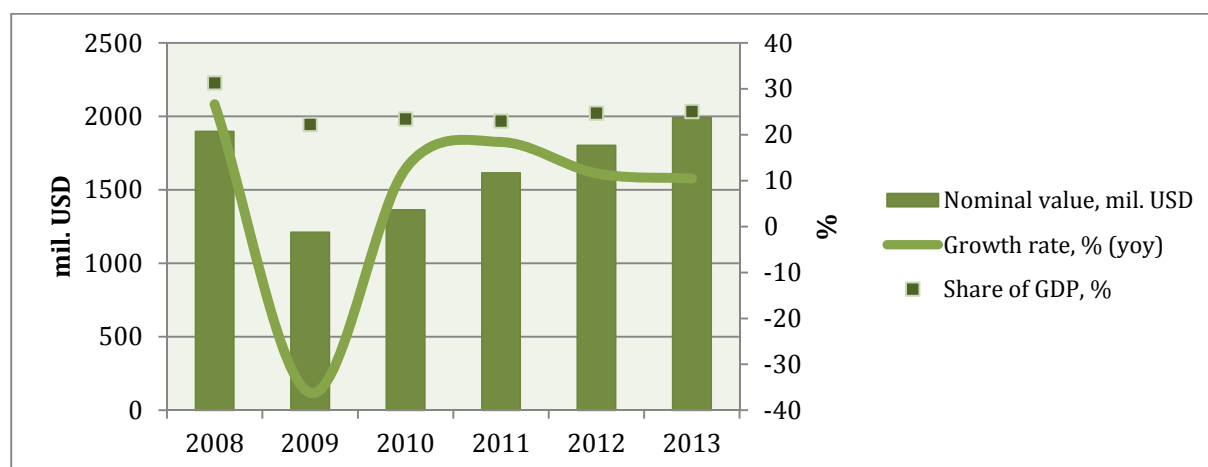
**Source:** According to the data of the National Bank of Moldova.

### *Remittances in the Republic of Moldova*

Remittances continued to slow in 2013. The value of remittances in the analyzed period were USD 1991 million, an increase of 10.4% compared to 2012. According to the data of 2013, remittances made up USD 559.3 per capita, by USD 53 more than in 2012.

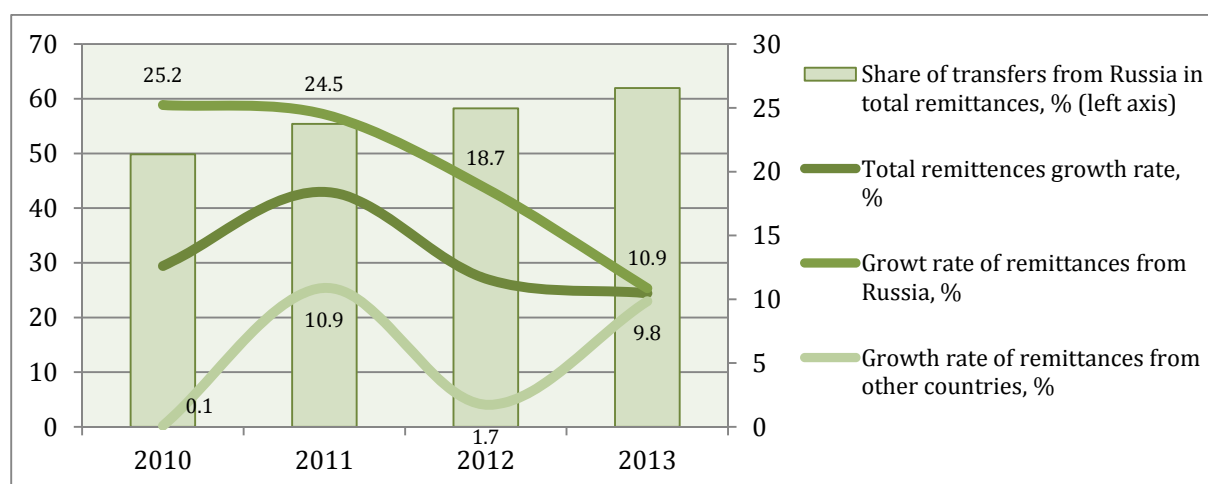
Although they have been growing, their pace of growth in recent years indicates and their patterns outlines the their exhausting role as a generator of growth, on the one hand, but also

the limited capacities of growth of the national economy from its own resources, on the other hand, thus calling for urgent reforms to strengthen domestic growth factors.



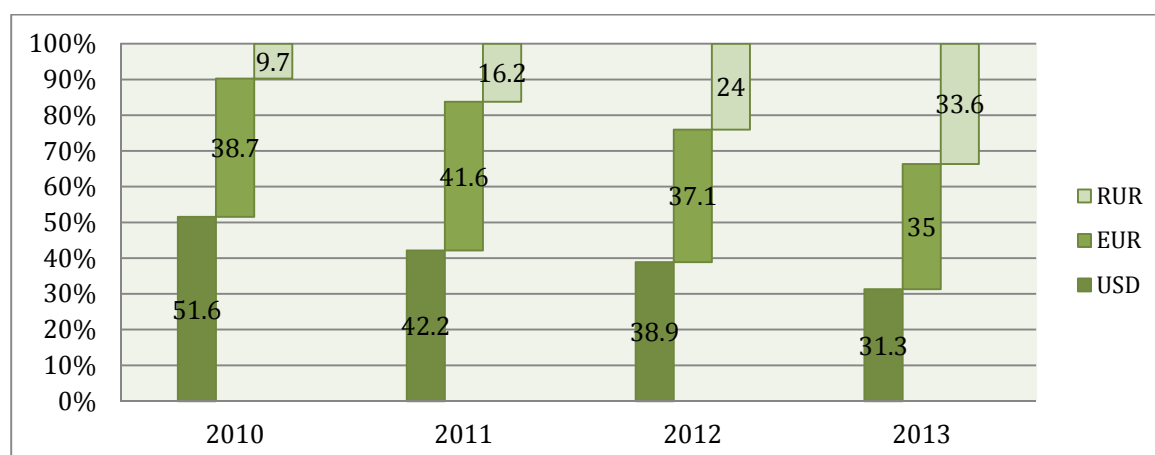
**Figure 4.3. Evolution of remittances inflows into the Republic of Moldova**

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



**Figure 4.4. Evolution of remittances according to the sources of geographic origin, %**

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



**Figure 4.5. Currency structure of money transfers from abroad in favor of individuals**

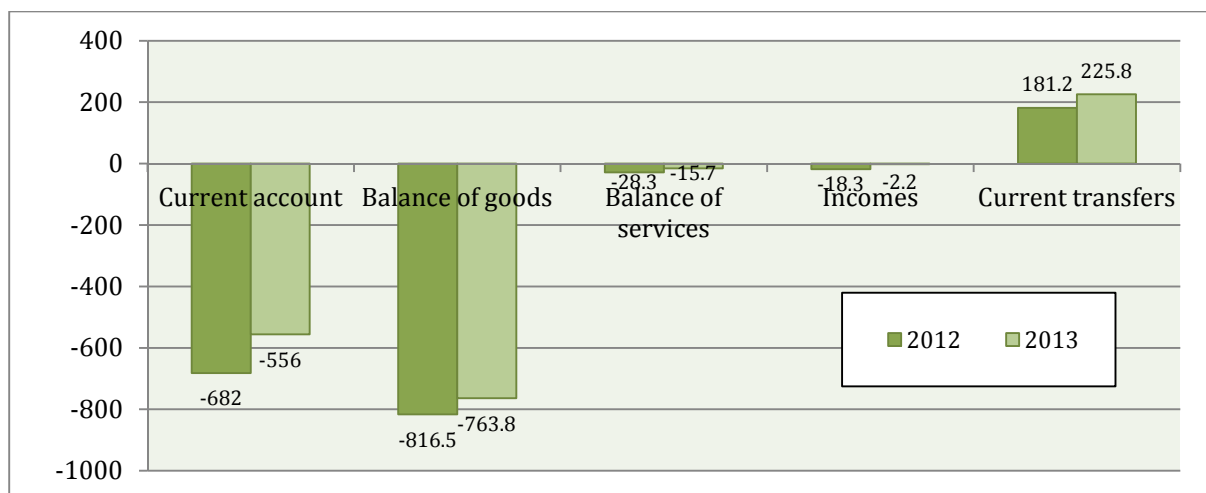
*Source:* According to the data of the National Bank of Moldova.

The cooling in remittances in recent years has occurred because of the slowdown of transfers from Russian Federation, and the modest developments of those from other countries. According to the latest data, about 60% of remittances came from the Russian Federation and in an unfavorable environment: pessimistic expectation of growth of the Russian economy, tightening the conditions of stay and employment of immigrants in the country and tensions in relations with Moldova at the end of 2013, the inflow of remittances could continue the downward path.

Remittances reduction could be affected by changes in currency structure. The transfers in USD are progressively decreasing, increasing in exchange remittances made in Russian rubles, which showed a general trend of depreciation against the U.S. dollar in 2013.

### *The region of the Republic of Moldova on the left bank of the Dniester River*

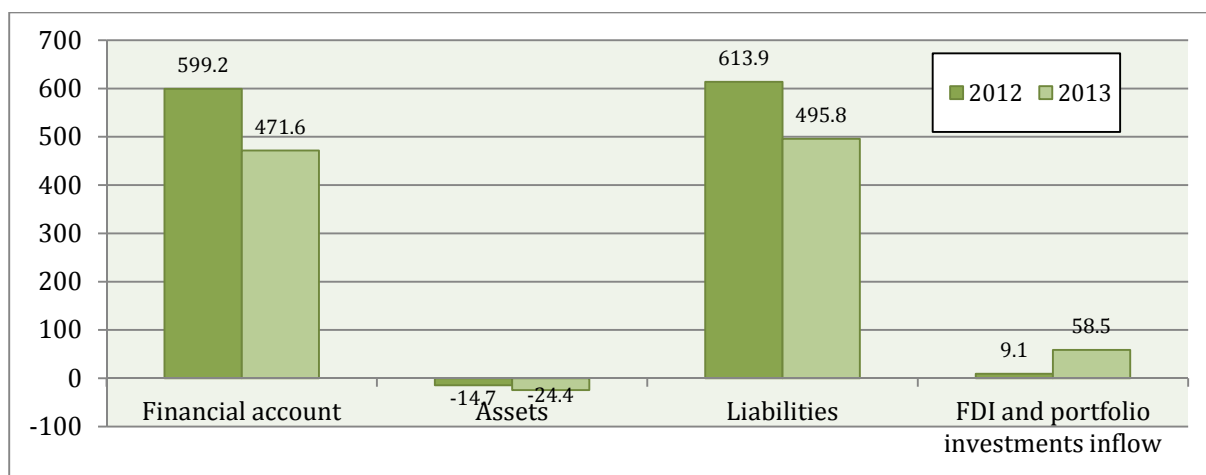
**The deficit of the current account** in the region of the left bank was USD 556 million in the first three quarters of 2013, decreasing by 18.5% compared to the same period of 2012. The trend was driven mainly by reduction in the trade deficit in goods and services by 6.5% and accordingly by 44.5%, and by the increase in current transfers made by nonresidents to residents in the region.



**Figure 4.6. The current account of the balance of payments of the region from the left bank of Dniester River in January-September 2012-2013, mln USD**

**Source:** According to the data of the Transnistrian Republican Bank.  
([http://www.cbpmr.net/resource/PB\\_9m\\_2012-2013n.pdf](http://www.cbpmr.net/resource/PB_9m_2012-2013n.pdf))

**Financial account.** Financial account during the reference period scored a surplus of USD 471.6 million, down 21.3% compared to the same period of 2012. Net assets showed a negative value of USD 24.4 million, continuing the downward trend from the previous year. On the liability side, despite an increasing net inflow of FDI and foreign portfolio investment of more than six fold, their value is insignificant, and total debt to nonresidents has decreased by approximately 19% compared to 2012.



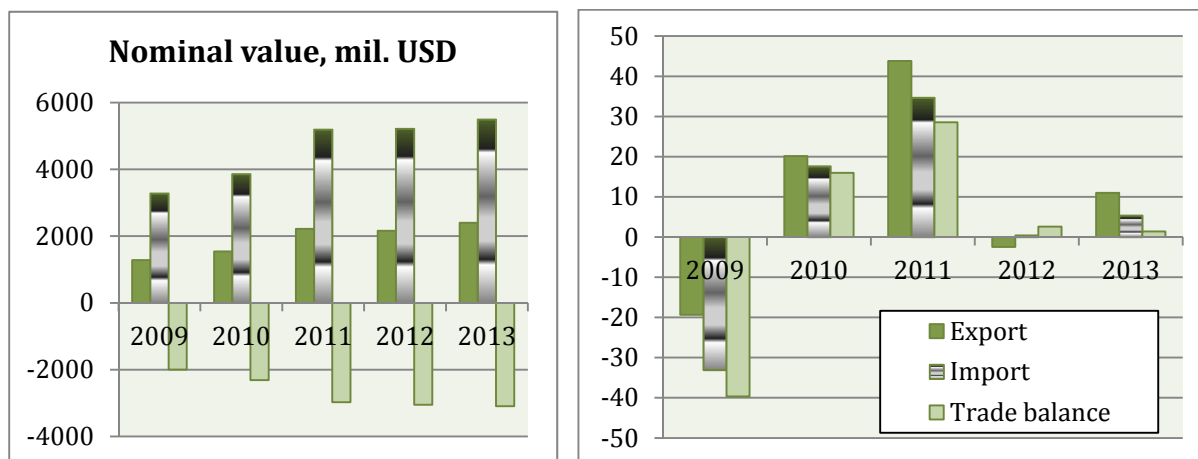
**Figure 4.7. Financial account of the balance of payments of the region from the left bank of Dniester River in January-September 2012-2013, mln USD**

**Source:** According to the Transnistrian Republican Bank ([http://www.cbpmr.net/resource/PB\\_9m\\_2012-2013n.pdf](http://www.cbpmr.net/resource/PB_9m_2012-2013n.pdf))

### External trade

After the boom in 2011, the development of the external trade in the following years – 2012 and 2013, was significantly more modest. The drop in exports in 2012 led to a 0.4% decrease in the external trade transactions and their recovery in 2013, coupled with the increase in imports, boosted external trade by 7%.

In 2013 the value of external trade in goods was about USD 7.9 million, including exports – USD 2399 million and imports – USD 5492.7 million. Both imports and exports have increased more substantially compared to last year. The increase in exports by 11%, brought them back to an upward trend, thus exceeding the growth rate of imports by 5.6 pp.



**Figure 4.8. External trade in goods, 2009-2013**

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

Slower growth of imports, compared to exports straitened the trade deficit growth that was maintained at a value comparable to that of 2012. The trade deficit in 2013 amounted to USD 3093.7 million, which is, according to preliminary data, about 39% of GDP. In this context, it should be noted that the value of this indicator decreased by 2.9 pp compared with 2012.

Likewise, in 2013, for the first time during 2006-2013, the coverage of imports by exports reached the highest level, of 4.7%. At the same time, taking into account the dynamics of

country's exports, compared with the global trends, the market share of the Republic of Moldova in world exports remains unchanged.

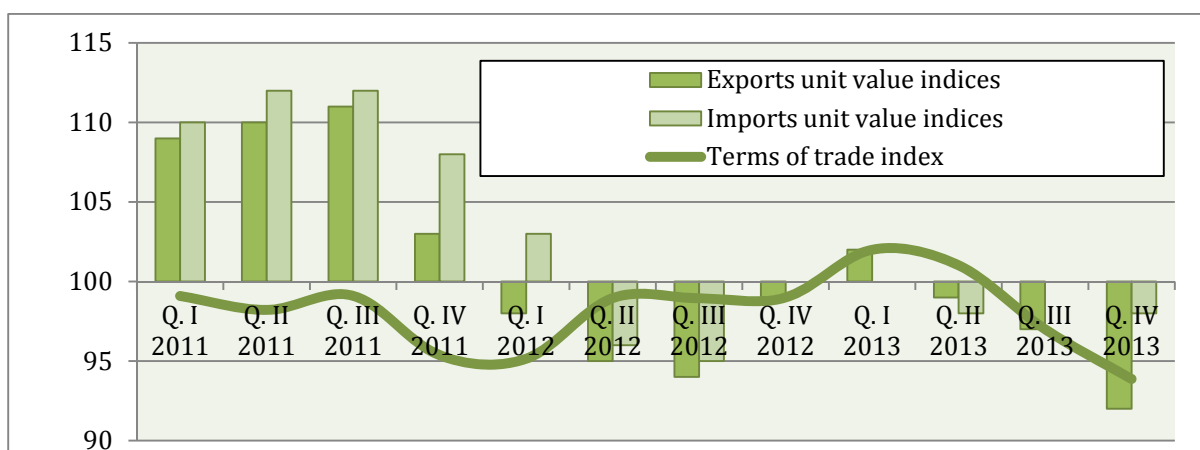
**Table 4.6. Main indicators of external trade in goods of the Republic of Moldova**

Indicator	2012	2013
Exports, USD mil.	2161.8	2399.0
Exports, rate of growth, previous year=100%	-2.5	11.0
Imports, USD mil.	5213.0	5492.7
Imports, rate of growth, previous year =100%	0.4	5.4
Trade deficit, USD mil.	-3051.2	-3093.7
Trade deficit, rate of growth, previous year=100%	2.6	1.4
Coverage of imports by exports,%	41.5	43.7
Export per capita, Lei	607.3	674.0
Import per capita, Lei	1464.5	1543.1
Exports/GDP,%	29.7	30.2
Imports/GDP,%	71.6	69.2
RM exports/ World exports,%	0.01	0.01

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

**Note:** For the estimation of import and export indicators as a share of GDP, preliminary GDP data for 2013 was considered.

**Terms of trade indices.** The growth of both exports and imports in 2013 occurred largely due to the increase in the volumes of goods traded with residents of other states. In particular, the volume of products exported in the last half of the year has increased, with the index of physical volume reaching 122% in the third quarter and 120% in the fourth quarter, respectively. At the same time, it is important to mention that the growth occurred amid low comparison base from last year.



**Figure 4.9. Terms of trade indices, 2011-2013**

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

Continuing the trend of the previous year, the unit value of the goods that were subject to cross-border trade had an anemic dynamics. However, in the first two quarters of the year the terms of trade improved by 2% and by 1%, respectively. The improvement of terms of trade entails an increase in the capacity of exchange of exported products by imported ones. The modest evolution of unit value of imports can be explained by the Moldovan Leu depreciation against major reference currencies – Euro and USD, which reduces the Leu purchasing power and could influence the demand for imported products, directing local importers to external providers offering lower prices.

## Exports

Although returned on an upward trend in 2013, exports had a relatively modest growth in the Republic of Moldova, facing a number of challenges, deriving from the country's hazardous supply structure of goods for export, changes in world prices for exported products and reduced demand for goods from trading partners with a high share in exports.

**Export supply of the Republic of Moldova.** In 2013 Moldovan exports consisted of 54.2% non-food manufactured products, 41% of food products, 3.6% of inedible crude materials, excluding oilseeds and fuels and 1.1% of fuels.

**Table 4.7. Composition and evolution of exports by groups of products in 2013**

Product name	Nominal value, USD mil.	Composition, %		Growth rate, %		Degree of influence, %	
	2013	2012	2013	2012	2013	2012	2013
<b>Total</b>	<b>2399.0</b>	<b>100.0</b>	<b>100.0</b>	<b>-2.5</b>	<b>11.0</b>	<b>-2.5</b>	<b>11.0</b>
<b>Food products</b>	<b>984.5</b>	<b>40.5</b>	<b>41.0</b>	<b>-4.2</b>	<b>12.5</b>	<b>-1.7</b>	<b>5.1</b>
<i>Fruits and vegetables</i>	292.6	12.9	12.2	-0.3	4.5	0.0	0.6
<i>Alcoholic and non-alcoholic drinks</i>	251.6	11.5	10.5	18.8	1.1	1.8	0.1
<i>Oil seeds and fruits</i>	165.6	4.6	6.9	-45.2	67.6	-3.7	3.1
<i>Oils</i>	44.0	4.2	1.8	15.6	-51.0	0.5	-2.1
<b>Fuels</b>	<b>26.9</b>	<b>0.7</b>	<b>1.1</b>	<b>-35.5</b>	<b>73.4</b>	<b>-0.4</b>	<b>0.5</b>
<b>Inedible crude materials excluding sunflower seeds and fuels</b>	<b>87.2</b>	<b>3.1</b>	<b>3.6</b>	<b>-36.0</b>	<b>29.7</b>	<b>-1.7</b>	<b>0.9</b>
<b>Manufactured products</b>	<b>1300.4</b>	<b>55.7</b>	<b>54.2</b>	<b>2.5</b>	<b>8.0</b>	<b>1.3</b>	<b>4.5</b>
<i>Cloths and accessories</i>	260.6	11.8	10.9	-9.0	2.4	-1.1	0.3
<i>Electrical machines and devices and spare parts</i>	238.7	8.9	9.9	17.4	23.7	1.3	2.1
<i>Pharmaceutical products</i>	113.3	4.4	4.7	22.1	20.3	0.8	0.9
<i>Furniture and spare parts</i>	105.9	4.2	4.4	10.0	15.6	0.4	0.7
<i>Threads, fabrics and textile articles</i>	78.8	4.3	3.3	17.8	-14.7	0.6	-0.6
<i>Metal articles</i>	54.4	1.3	2.3	-5.0	89.2	-0.1	1.2

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

The low production of **food products** in 2012 resulted in a reduced rate of growth of exports of these products in the first half of 2013, which increased by about 1.5%. However, a good agricultural year, bringing new crops, in the second half of the year has fuelled by 12.5% the exports of food products in 2013, accounting for USD 984.5 million. Exports of grains and sunflower seeds have grown sharply; contributing by 7% to export growth and by 12.7% to its formation.

On the other hand, a number of other food products, especially as a result of tightening relationships with the Russian Federation, have increased very slow – fruits and vegetables by 0.6% and beverages by 0.7%.

Despite the embargo on Moldovan wines imposed by the Russian Federation in September 2013, which caused a reduction in the annual value and volume of exports to this destination by 15% compared with 2012, wine exports as a whole have been growing. In 2013, the Republic Moldova exported 12.32 million dal. of wine, worth USD 148.5 million, increasing by 1% and by

4.2% over the previous year, respectively. Meanwhile, the share of this item in the structure of exports fell by 0.4 pp compared with 2012, representing 6.2%.

CIS market remains predominant for the supply of Moldovan wines, while the last two years it has been steadily decreasing. The top 10 destinations to which this product was exported were: Belarus, the Russian Federation, Kazakhstan, Ukraine, Georgia, Poland, the Czech Republic, Romania, China and Slovakia.

**Table 4.8. Geographical distribution of wine exports of the Republic of Moldova**

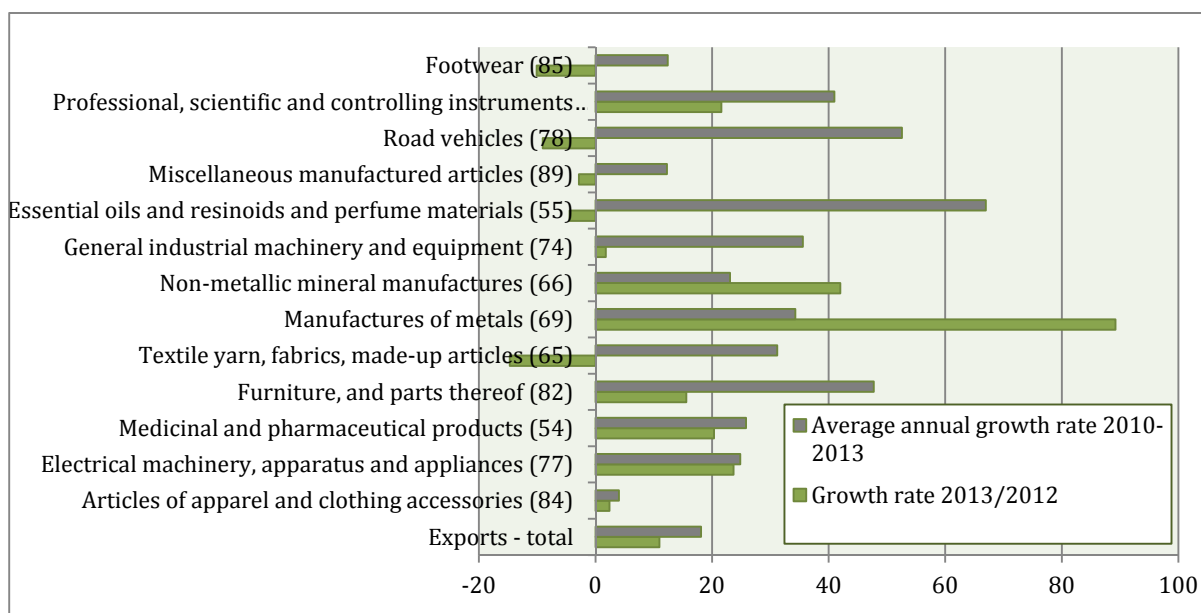
Group of countries	Value			Quantity		
	2011	2012	2013	2011	2012	2013
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>CIS countries</b>	76.2	74.8	69.9	81.4	77.2	71.5
<b>EU countries</b>	15.6	14.7	18.6	12.1	13.3	15.8
<b>Other countries</b>	8.2	10.5	11.5	6.5	9.6	12.7

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

Sunflower oil exports dropped sharply in 2013, by about 48.4%, which was already mentioned in previous MET publications. It is worrying that the Republic of Moldova has significantly reduced the export of this product, delivering instead sunflower seeds to countries that have a major share in the world market of sunflower seed oil, such as Ukraine and Turkey. At the same time, in 2012, sunflower seed oil exported by the Republic of Moldova assured about 3.7% of the country's total exports and 0.7% of world exports of sunflower oil and the unit value of a kg of product, according to 2013, was exceeding twice the unit value of exported sunflower seeds.

Fair oil exports were due to reduced domestic production capacity in 2013, the industrial input decreasing by 72.6% compared to the previous year.

Despite the fact that the share of **manufactured goods, excluding food products** decreased compared with 2012, they are holding more than half of exports. However, their structure causes a high degree of vulnerability of exports to foreign markets' developments.

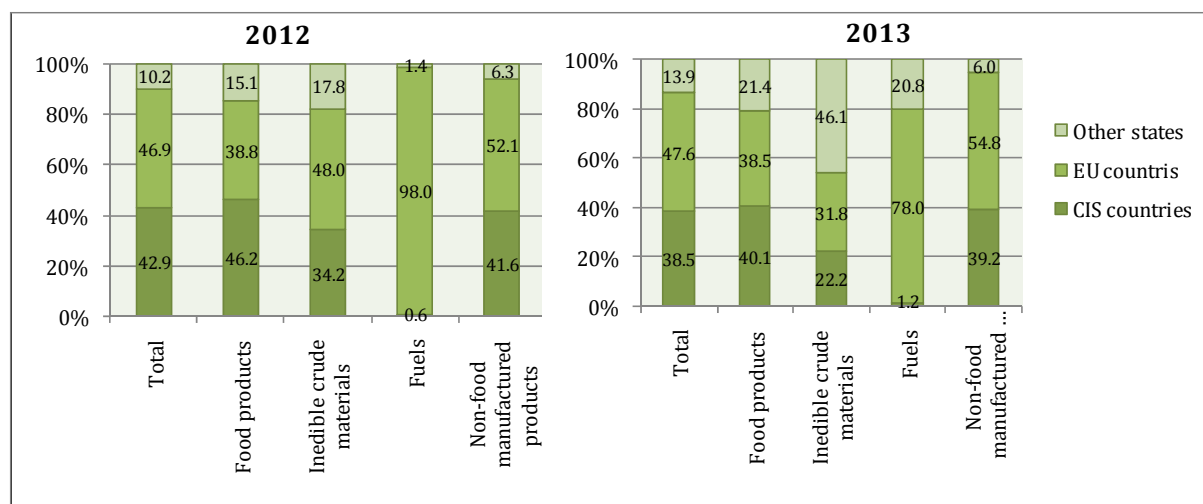


**Figure 4.10. Dynamics of exports of the main non-food manufactured products**

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

**Note:** The graph includes non-food manufactured products, which in 2013 had a higher share than 1% and as whole represented 48.1% of total exports.

An impressive part of this is made up of re-exports, mainly for markets of major eastern trading partners, whose external demand contracted in 2013, due to a slowing pace of economic growth. Therefore, the Republic of Moldova recorded a reduction or a slowdown for some of these products, i.e. medicinal products, industrial machinery, road vehicles, etc. Similarly, in recent years, some products, subject to outsourcing contracts – furniture, clothing, and footwear had a temperate growth or even a decline (Figure 4.11).



**Figure 4.11. Structure of exported products by main geographical export destinations**  
**Source:** According to the data of the National Bureau of Statistics.

Despite the above trends, a high growth in exports was marked by articles of metal and mineral metal, whose share in total exports increased by 1.4 pp.

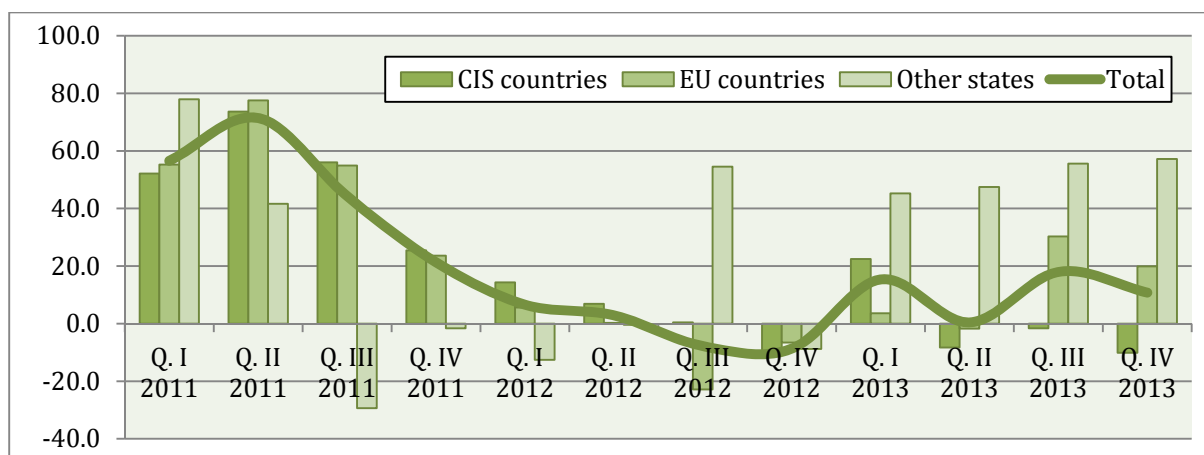
In this context, it should be mentioned that the export of metal ores and metal waste increased by 76.2%, which generated 35.4% increase in the exports of inedible crude materials (excluding fuel and oil seeds).

**Geographical destination of exports.** In 2013 the geographical structure of exports has seen somewhat surprising changes.

Exports to **EU** had the greatest contribution to the exports growth (5.9%); the former have accelerated, especially in the second half of the year, exceeding by 30% and by 20% the level of exports in the third and fourth quarters of 2012. Thus, at the end of 2013, exports to the EU amounted to USD 1140.9 billion, up by 12.5%, compared to 2012. At the same time, this increase is modest, given the reduction in exports by 6.4% in 2012 compared to 2011. In 2013, the rising trend was due to the resumption of exports to a number of major destination markets that were declining in the previous year – Romania (15.8%), United Kingdom (9.3%), Poland (15.1%), Germany (61.2%). Growth was mainly boosted by the increase in the supply of crops-cereals by 2.6 times, sunflower seeds by 42.6%; machinery and electrical equipment 26%; food and drinks – fruit juices (including mash) and vegetable juices, unfermented and not containing added spirit – 64.7%; wine and mash with 32% etc. At the same time, the exports to Italy<sup>1</sup> decreased by 8.4%, along with exports to other countries, such as Bulgaria, the Netherlands, Belgium, Spain, Hungary and others.

Nevertheless, the most dynamic developments 2013 occurred to exports **to other countries than EU and CIS countries**, which increased by 52%, compared to 2012, leading to the export

<sup>1</sup> In 2013 the volume of sunflower seed oil exported to Italy dropped by 43.7%, which is 17 900 tones worth USD 27.7 million.



**Figure 4.12. Export dynamics by geographical destinations and rates of growth during 2011-2013**

*Source:* National Bureau of Statistics.

growth by 5.3%. Exports to these destinations, during the reference period, totaled USD 334 million. In particular, exports to Turkey increased by 2.3 times, which entered the top five destinations of Moldovan exports, to Switzerland by 9.3 times, to New Zealand by 21.4%, and to Georgia by 52.4%. By product categories, the increase was largely attributed to the rise in exports of waste and scrap of iron or steel (Turkey), sunflower seeds (Turkey, Switzerland), wheat, barley, maize (Switzerland, New Zealand), sunflower seeds (Switzerland), grape wine, drugs (Georgia) etc.

Unlike the trends of Moldovan exports on markets mentioned above, exports **to CIS market** were generally on a downward trend, starting with the second quarter of 2013. Thus, at the end of 2013, their value amounted to USD 924 million, down by 0.4% compared with 2012. The trend was driven mainly by smaller exports to the Russian Federation and Kazakhstan by 3.5% and 22%, respectively. By product groups, the decrease was driven by both the reduction in the supplies of various food products and manufactured non-food products, as a consequence of the ban imposed by the Russian Federation in the autumn of 2013 for drinks and certain products of plant origin, and the contraction of the Russian economy. At the same time, exports to Ukraine increased, despite the economic downturn that hit the country for 5 months, since the second quarter of 2012, and also to Belarus.

Following these developments, the export structure has changed to the detriment of CIS countries (-4.4 pp), increasing instead the share of supplies to the EU countries (+0.7%) and other countries (+3.7%), which are distributed according to the following proportions: 38.5%, 47.6% and 13.9%, respectively.

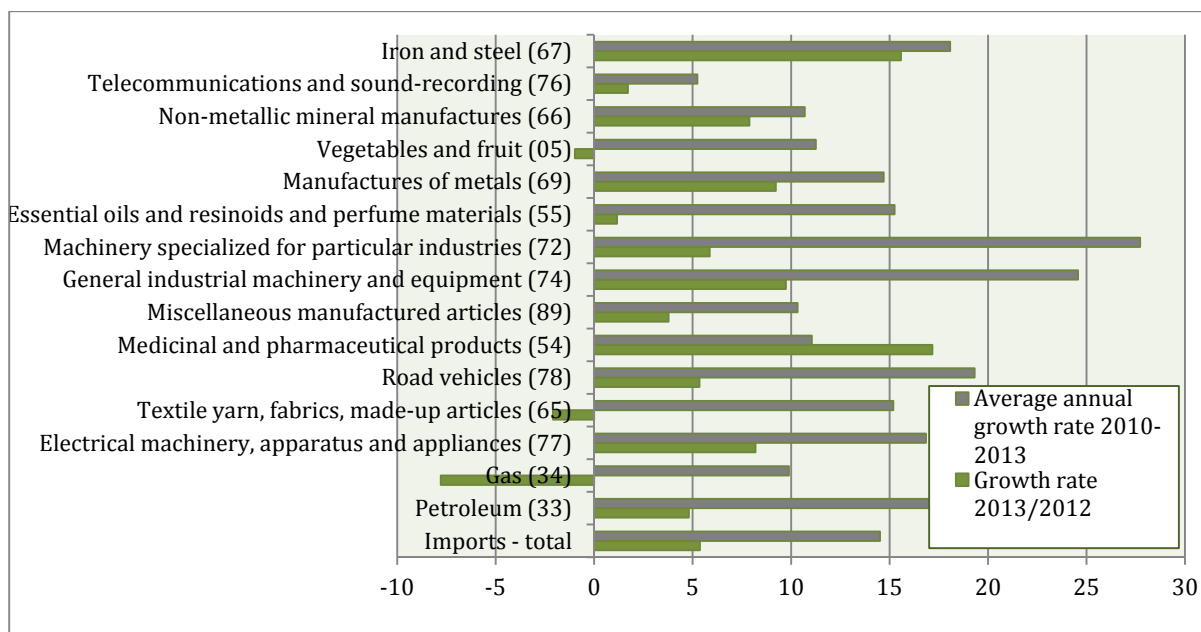
In this context, it should be noted that in 2013 the share of exports to the main market – the Russian Federation, decreased by 4 pp, which determined the diminution of the degree of geographical concentration of Moldovan exports. Geographical concentration index – Herfindahl Hirschman Index on CIS market dropped by 3 p., while on the EU-28 by 0.1 p, constituting 0.57 and 0.29, respectively. Therefore, exports to the two main markets – the Russian Federation and Romania reached 43,5% of total exports and to the top three markets, including Italy – 51,2%, against 46,8% and 56,2%, respectively in 2012.

### Imports

In 2013, imports accounted for about USD 5.5 billion, outperforming by USD 279.9 million the level of the previous year.

The imports of manufactured goods that increased by 6.2%, had the greatest contribution to imports growth. At the same time, given the decline in the previous year, their expansion can be considered as relatively modest. The same situation is observed in the case of inedible crude materials (excluding sunflower seeds and gas), which increased by 8.3%, compared to a 6% drop in 2012 against 2011.

As a result of a favorable agricultural year, the food imports decreased by 3.1 pp compared with 2012. Imports of fruit, vegetables and grain mill products, particularly wheat flour were even in a decline by 2.5 pp, 3.9 pp and 13.2 pp, respectively. It should be also noted that the share of food products in the composition of imports remained unchanged.



**Figure 4.13. Dynamics of main imported products**

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

**Note:** The chart includes products that in 2013 accounted for a larger share than 2% and represented 65.4% of total imports of the Republic of Moldova.

Fuels, which hold a significant share in Moldovan imports had also a slow evolution, gas imports decreasing by 7.8% compared with 2012. The volume of imports of natural gas decreased by 5.9% and by 9.3% in value terms. It should be noted that according to the data of the National Agency for Energy Regulation, the volume of gas delivered to customers in 2013 has also dropped by 4.5%, accounting to 945.3 millionm<sup>3</sup>.

**Table 4.9. Imports composition and evolution by groups of products in 2013**

Product name	Value USD mil.	Composition, %		Growth rate, %		Degree of influence, %	
	2013	2012	2013	2012	2013	2012	2013
<i>A</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>
<b>Total</b>	<b>5492.7</b>	<b>100.0</b>	<b>100.0</b>	<b>0.4</b>	<b>5.4</b>	<b>0.4</b>	<b>5.4</b>
<b>Food products</b>	<b>755.4</b>	<b>13.8</b>	<b>13.8</b>	<b>8.1</b>	<b>5.0</b>	<b>1.0</b>	<b>0.7</b>
<i>Fruit and vegetables</i>	<i>126.1</i>	<i>2.4</i>	<i>2.3</i>	<i>-3.5</i>	<i>-1.0</i>	<i>-0.1</i>	<i>0.0</i>
<i>Cereals</i>	<i>81.9</i>	<i>1.6</i>	<i>1.5</i>	<i>7.6</i>	<i>-1.5</i>	<i>0.1</i>	<i>0.0</i>
<b>Inedible crude materials excluding fuels sunflower seeds</b>	<b>97.4</b>	<b>1.7</b>	<b>1.8</b>	<b>-6.0</b>	<b>8.3</b>	<b>-0.1</b>	<b>0.1</b>

Table 4.9 – continuation

A	1	2	3	4	5	6	7
<b>Fuels</b>	<b>1235.4</b>	<b>23.0</b>	<b>22.5</b>	<b>2.8</b>	<b>3.1</b>	<b>0.6</b>	<b>0.7</b>
<i>Oil</i>	649.1	11.9	11.8	-2.8	4.8	-0.3	0.6
<i>Gas</i>	457.8	9.5	8.3	8.4	-7.8	0.7	-0.7
<i>Energy</i>	100.3	1.1	1.8	40.0	75.8	0.3	0.8
<b>Manufactured products</b>	<b>3404.6</b>	<b>61.5</b>	<b>62.0</b>	<b>-1.8</b>	<b>6.2</b>	<b>-1.1</b>	<b>3.8</b>
<i>Electrical machinery and devices</i>	347.5	6.2	6.3	-0.3	8.2	0.0	0.5
<i>Threads, fabrics and textile goods, not included elsewhere and related products</i>	276.5	5.4	5.0	-0.1	-2.1	0.0	-0.1
<i>Drugs</i>	260.7	4.3	4.7	2.3	17.2	0.1	0.7
<i>Vehicles</i>	256.3	4.7	4.7	-16.3	5.3	-0.9	0.2
<i>Industrial machinery and devices</i>	172.6	3.0	3.1	-6.3	9.7	-0.2	0.3

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

Given the origin of goods imported into the Republic of Moldova, the largest increase in 2013 was generated by imports from the European Union. They increased by 6.6% and accounted to USD 2472.8 million. The increase was driven by imports from other countries rather than the European Union and the CIS, exceeding by 6.2% the 2012 level, accounting to USD 1348 million. Growth rates of imports from these two large groups of countries have advanced imports share from EU countries from 44.5% to 45% and from 24.3% to 24.6% from the group of other countries. Thus, together, they formed 69.6% of total imports.

However, imports from CIS countries had a very modest growth, increasing only by 3% compared with 2012, while last year they went down by 5.2%. This negative trend was driven primarily by lower imports of gas by 7.6% and oil by 12% – these two tariffs categories accounting to 37% of total imports originating from these destinations.

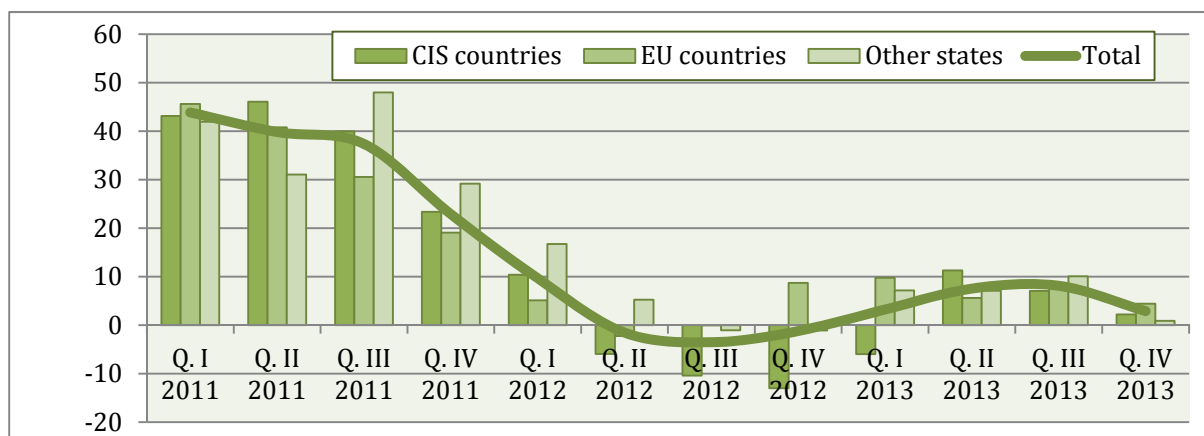
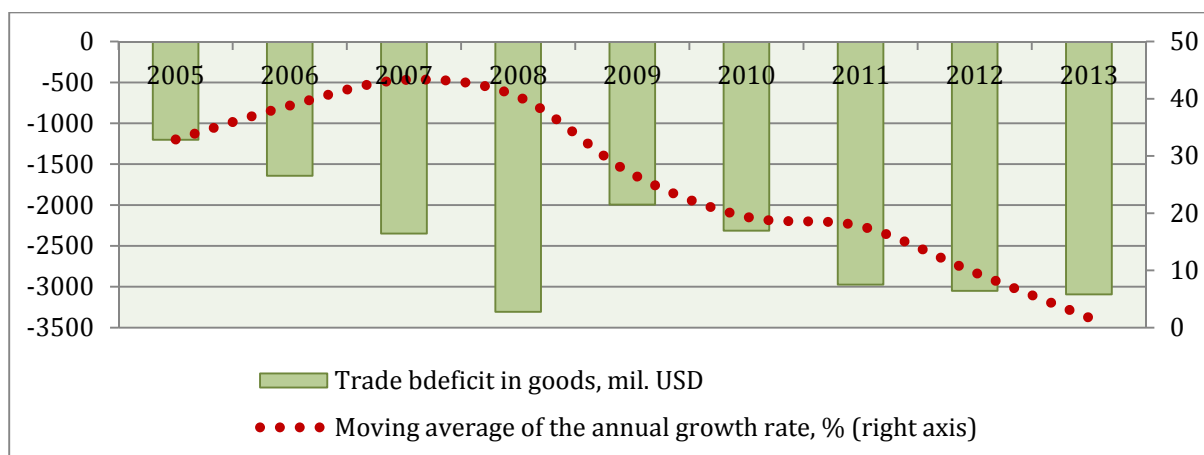


Figure 4.14. Evolution of imports by geographical destination and rate of growth during 2011-2013

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

### Trade balance

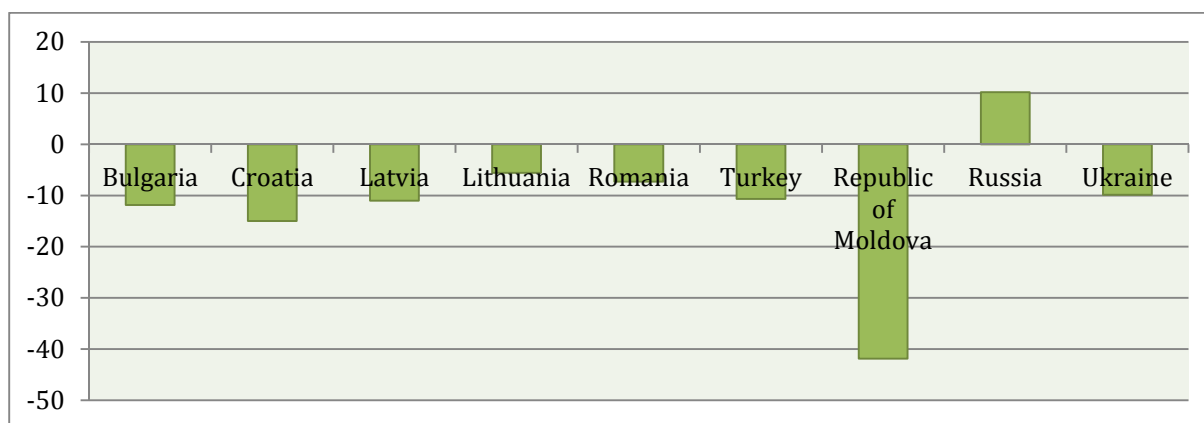
Registering a markedly growth in the last decade, after the 2009 economic crisis, the was recorded a temperation of the growth rate of external trade deficit, especially visible on its 5 year moving average curve.



**Figure 4.15. Evolution of trade balance in goods, 2005-2013**

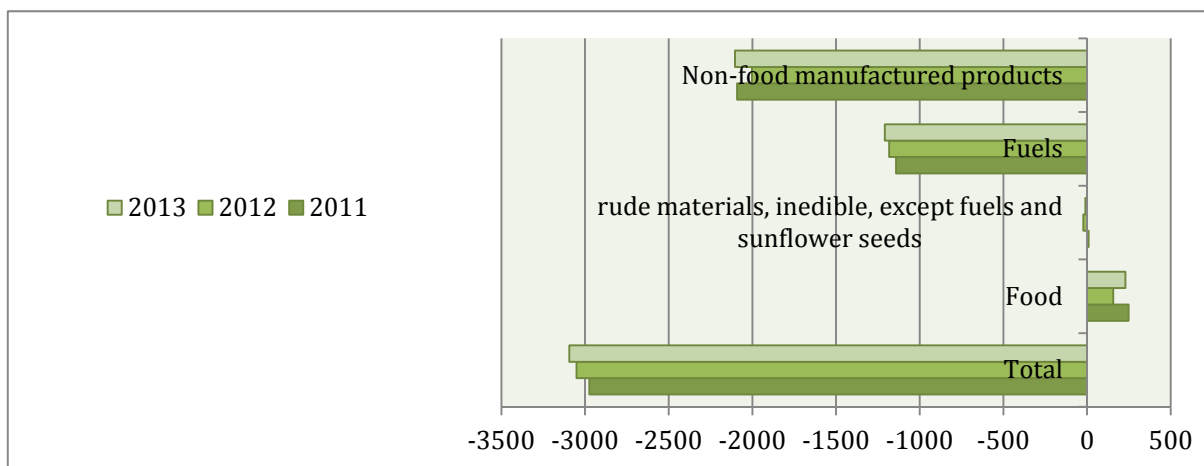
*Source:* According to the data of the National Bureau of Statistics.

In 2012 the deficit grew by 2.6% over the previous year and in 2013 by only 1.4%. Under these conditions the pressure to GDP of payments for purchasing goods from outside is diminishing, while according to the previous year data, this indicator is well above other countries in the region.



**Figure 4.16. Trade balance share in GDP in the Republic of Moldova, compared with countries from Central and Eastern Europe and CIS countries (2012)**

*Source:* According to the data of the IMF and WTO.



**Figure 4.17. Trade deficit by product categories**

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

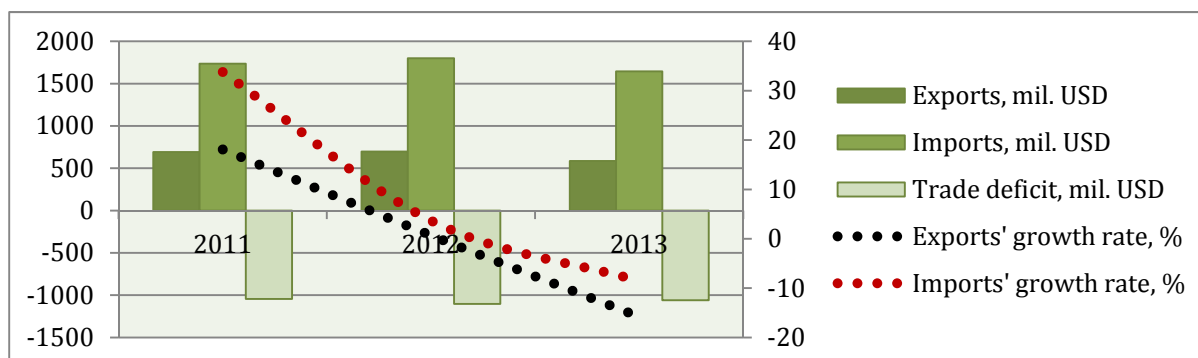
The trade deficit of the balance of goods in the Republic of Moldova is mostly formed by the negative balance of fuels and various manufactured goods, which in 2013 accounted to USD 1.2 billion and USD 2.1 billion, respectively, the former rising by 2.2% and the latter by 5.1%. Top 5 products that have had the biggest contribution to the formation of trade deficit were oil, gas, various road vehicles, threads, fabrics and textile articles (categorized at position 65 of the Standard International Trade Classification) and drugs.

At the same, food products, particularly fruits and vegetables, beverages, oil seeds, cereals, oils, and some non-food items such as clothing, shoes, metal ores and scrap metal, furniture etc. have allowed offsetting negative effects on the balance of these products,

### *The region of the Republic of Moldova on the left bank of the Dniester River*

While Republic of Moldova, in the right side of the Dniester has managed to return to a positive growth trajectory, the region of the left bank recorded a negative trend in terms of foreign trade in 2013. Both exports and imports have been declining, registering lower values by 15.8% and by 8.6%, respectively as compared to 2012.

The poor performance of foreign trade, and in particular exports, is predominantly a reflection of the precarious situation in the production, some key areas, such energy and steel industry, decreasing by 26% and by 51.5% respectively, over the previous year. These represented 50.7% of total industrial production in 2013. The reduction in the external supply of fuel and energy products, metals and metal in 2013, influenced the drop in exports by 7.2%, and by 16.3%, respectively, their share in the structure of exports being reduced from 27.8% to 24.5% and from 32.8% to 19.5% compared to 2012 year.



**Figure 4.18. External trade of the Dniester left bank region, 2011-2013**

**Source:** According to the data of the State Committee of the Dniester left bank region.

In this context, it should be mentioned that the major drop occurred for regions' exports to the CIS countries, which is the main market for these products.

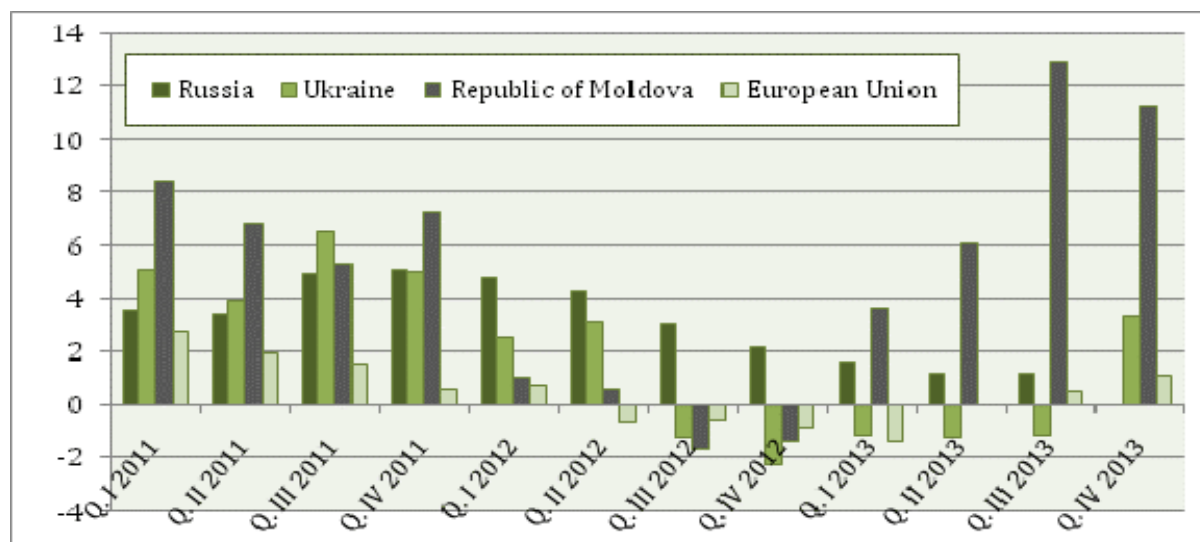
The significant reduction of exports to these destinations – (-) 17.7% caused a decrease of the share of this block in the structure of exports of the region, from 67.9% to 66.4%. Exports to other countries decreased by 11.8% overall.

The drop in imports by 8.6% was driven by contracting fuel (17.9%) and metals and products (27.3%) supply to the CIS countries. Thus, imports from these countries decreased by 13.7%.

In this context, during 2013, exports amounted to USD 586.6 million, while imports USD 1645.9 million. The decline in exports has led to a continuous reduction of coverage of imports by exports from 39.8% in 2011 and 38.7% in 2012 to 35.6% in 2013.

*Trends and policies in the main economic partner countries of the Republic of Moldova*

2013 was a year of economic uncertainty for many countries around the world, including eastern economic partners of Moldova. Russian Federation, in 2013, continued the trend of slowing from 2012. Ukraine, despite political events produced at the end of the year, has managed to get back on a positive growth trajectory only in the last quarter of 2013. The annual growth rate in Q IV was 3.3%, so at the end of year, growth was 0% compared to 2012.



**Figure 4.19. Economic growth of the Republic of Moldova in regional profile**

**Source:** According to the data of the national statistical offices of the EU, Russian Federation, Ukraine, Moldova.

However, during the year, economic activity strengthened in Western European countries and was mainly supported by strengthening external demand, supporting in turn the economic activity in the region, particularly in countries of Central and Eastern Europe due to strong trade links.

According to IMF estimates from January 2014, the world economy has grown in 2013 below expectations, while the forecasts for the 2014 year are more optimistic.

**Table 4.10. Development trends of main economic partners Republic of Moldova (% , yoy)**

Indicator/ Country	Period	USA	EU-28	Romania	Russian Federation	Ukraine
A	1	2	3	4	5	6
GDP	Q. III 2012	3.1	-0.6	-0.6	3.8	-1.3
	Q. IV 2012	2.0	-0.9	0.8	1.7	-2.3
	Q. III 2013	2.0	0.5	4.2 <sup>1</sup>	0.6	-1.2
	Q. IV 2013	2.5	1.1	5.2 <sup>1</sup>	-	3.3
Unemployment rate	Q. III 2012	8.0	10.6	7.1	5.3	8.0 <sup>2</sup>
	Q. IV 2012	7.8	10.8	7.0	-	8.1 <sup>2</sup>
	Q. III 2013	7.2	10.9	7.3	5.2	7.6 <sup>2</sup>
	Q. IV 2013	7.0	10.8	7.3	5.5	-
IPC	Oct. 2012	102.2	102.7	105.0	106.5	100.0
	Nov. 2012	101.8	102.4	104.4	106.5	-99.8
	Dec. 2012	101.7	102.4	104.6	106.5	-99.8
	Oct. 2013	101.0	100.9	101.2	106.3	-99.9

Table 4.10 – continuation

A	1	2	3	4	5	6
	<b>Nov. 2013</b>	101.2	101.0	101.3	106.5	100.2
	<b>Dec. 2013</b>	101.5	101.0	101.3	106.5	100.5
Export of goods	<b>Q. III 2012</b>	1.1	-8.1	-14.3	-3.5	0.2
	<b>Q. IV 2012</b>	2.8	-1.7	-4.3	-3.2	-4.3
	<b>Q. III 2013</b>	2.8	6.3	21.6	3.5	-9.1
	<b>Q. IV 2013<sup>3</sup></b>	3.8	6.3	18.9	-0.4	-3.8
Import of goods	<b>Q. III 2012</b>	0.0	-9.9	-12.4	2.5	1.2
	<b>Q. IV 2012</b>	0.7	-2.4	-6.5	2.8	-3.2
	<b>Q. III 2013</b>	1.9	3.0	11.1	0.0	-1.7
	<b>Q. IV 2013<sup>3</sup></b>	1.1	3.5	9.8	1.4	-7.1

**Source:** According to the data of the OECD, Eurostat and national statistics offices of the Russian Federation and Ukraine.

**Note:** 1 – Preliminary data;

2 – Data submitted for the period from year start;

3 – Calculation done on the basis of monthly data regarding international trade of WTO.

### United States of America

2013 was marked by economic instability with a high degree of distrust of the business community in the U.S. government, including as a response to the tightening of the fiscal policy in that year.

Meanwhile, despite a deceleration of the U.S. economy in the first three quarters, it seems to be recovering compared to the previous year. In the fourth quarter, under the positive impact of investments in the economy and the recovery of demand, both external and domestic, U.S. economy registered an annual increase of 2.5%, outpacing with 0.5 pp the growth in the same period of 2012.

The tempered consumption and gross capital formation felt during 2013, compared to the previous year, have found a reflection in the moderate pace of growth in trade in goods and services. Thus, exports were up 2.7% and imports by 1.4%, a moderation of 0.8 pp compared with 2012.

Also, there have been registered a tempered growth in consumer prices. According to the OECD data, the annual inflation rate was 1.6%, down by 0.6 pp and 1.7 pp respectively, compared to 2012 and 2011.

Compared to the previous year, unemployment rate, had a decreasing trend reaching 7.4%, down 0.7 pp compared to 2012 year. But this indicator reveals, rather an optimism regarding the economic and social situation in the country.

### European Union

Eurostat data for 2013 indicate a gradual recovery of the EU economy from the second half of the year, but growth is uneven in terms of the geographic profile. While some countries are safely recovering, others do not. Thus, the data for 2013, are reflecting a growth of 0.1% in the EU-28 and a decrease of 0.5% for the Eurozone, many countries are following the trend of recession – Cyprus, Greece, Italy, Finland, Portugal, Slovenia, Croatia, Czech Republic.

One of the factors that boosted economic growth in the EU was external demand recovering, exports of goods and services contributed 1.3% GDP growth in the last quarter of the year, calculated according to seasonally adjusted data series. Since the fourth quarter, gross capital

formation returned to a growth curve, while domestic demand remains weak, leading to a moderate increase in imports.

As in the U.S, consumer prices in the EU have followed a slowdown, annual inflation rate in the last quarter reaching 0.9% -1.0%. Thus, in 2013, average annual inflation was 1.5%, down 1.1 pp compared to previous year.

Unemployment in EU-28 was 10.7% in December 2013, down by 0.1 pp from November 2013, while the situation on the labor market becomes more pessimistic, given the developments compared to the previous years. In 2013, the unemployment rate in the EU -28 increased by 0.4 pp compared to 2012, the gap was even greater compared to 2011, when the indicator was 9.7%. There was a worsening of the employment rate of the working population in 2013 in fourteen Member States, Cyprus, Greece, Netherlands and Italy.

### *Romania*

The forecasts of Romanian authorities and international organizations are optimistic regarding the country's economic growth in 2014, anticipating a greater absorption of European funds and an increase in private sector credit. Optimistic forecasts are supported by the results of 2013. Romania had the highest growth among the EU member countries. In the fourth quarter of 2013, Romania had a growth of 1.7% compared to the previous quarter and 5.1% over the same period of 2012. As in the case of Moldova, the high growth was driven mainly by an increase of 33.8% in value added in agriculture in the last quarter compared to the same period last year.

Consumer price growth tempered during the year, average annual inflation representing 3.2%, shrinking by 0.2 pp compared with 2012. However, along with Estonia, Romania registered the highest increase in consumer prices compared with other Member States.

Production of goods and services in 2013 was driven by good growth in domestic demand, while demand conditions on foreign markets were also favorable. According to the National Institute of Statistics of Romania, in 2013, exports of goods amounted to 219.1 billion Romanian lei, the equivalent of about 49.6 billion euro. The exports of Romania were up 9.1% in 2013, supported largely by their increased presence on extra -EU markets - by 12.1%. As for imports, they fared much more modestly, increasing by 0.2%, reaching 244.3 billion Romanian lei or about 55.3 billion euro. The decrease of imports from third countries -7.7%, turned the positive the trade balance with these countries. In 2013, approximately - 69.6% of exports and 75.7% of imports have been dealt with partners from the EU.

In December 2013, the calculated unemployment rate based on seasonally adjusted data series was 7.1%, down by 0.2 pp compared to the previous month and up by 0.4 pp compared to the level recorded in December 2012.

### *Russian Federation*

In 2013, the Russian economy continued its tempered trend from previous years, and in the aftermath of the crisis of 2009 the GDP growth rates have not reached the pre-crisis levels. According to estimates of the Central Bank of Russia, economic stagnation of the country is not a short-term phenomenon anymore, economic growth being revalued downwards several times during the year. Officials of the country explained thus by reduced global demand for Russian exports of raw materials (oil, gas, metallurgical production) amid the global economic slowdown in 2013..

In light of these developments, forecasts are pessimistic for 2014. Economic growth is expected to occur faster than in 2013 – estimated at 1.3%, but may be lower than the official forecast of 2.5%. In the medium term, a less optimistic scenario could increase the negative gap in relation to the global economic growth.

In the second half of the year, consumer prices growth slowed, inflation rate in the third and fourth quarters was down to 6.4% compared with 7.1% and 7.2% in the first two quarters. At the same time they also had a more dynamic growth compared with 2012, average annual inflation was 6.8% in 2013.

According to the Federal Customs Service, in 2013, the total value of external transactions with goods, both exports and imports remained at the level of 2012, totaling 844.2 billion USD. Exports, which totaled 526.4 million were targeted in the amount of 86% to countries outside the CIS (74.5% was fuel). In the CIS, the share of fuel in total exports was 47%, down 7.2% from the previous year.

Despite the stagnation of the Russian economy, during the four quarters the unemployment rate decelerated from 5.8% in the first quarter to 5.5% in Q4. However, the indicator remained unchanged from the previous year.

### *Ukraine*

Ukraine's economy continues to be constrained by the fiscal and monetary policy promoted during 2013. In these circumstances and in the context of recent political events, economic growth forecasts for 2014 are less optimistic.

In the third quarter of 2013, following five quarters of deceleration, the Ukrainian economy has reached a critical point, and in the fourth quarter it is back on an upward path, GDP increased by 3.3% compared to the previous year. The annual growth rate was exactly 0% in 2013. An important contribution to achieving these results was a 13.8% growth in the value-added in the agricultural sector compared with 2012. Meanwhile several sectors have been in decline: the processing industry, production and distribution of electricity, water and gas, construction, payment for financial intermediaries services, etc.

One should note that in 2013, there was a dramatic decrease in gross capital formation compared to the previous year – (-) 20% and foreign trade in goods and services. Exports of goods and services decreased year on year by 8.8% and imports by 5.9%. Even though final consumption by the end of the year had a relatively high growth in the context of developments in the economy – 5.6%, growth rate gradually slowed in the last three quarters.

This was driven by both internal and external factors - economic developments of the EU and Russia, political conflicts triggered towards the end of the year, refusal of the international creditors to grant agreed funding, etc. In these circumstances, some social programs were frozen, the volume of foreign reserves was below the critical level. During one year, the level of foreign exchange reserves fell by 25%.

Average annual growth of prices for goods and services in Ukraine in 2013 was – 0.3%. A fall in prices in 2013 compared with the previous year occurred mainly under the influence of a strong reduction in food prices by 2.2%, mainly – fruits (12%), vegetables (11.7%), eggs (4 7%), sugar (7.7%), clothing and footwear (-3%), etc.

Exports of goods from Ukraine in 2013 amounted to USD 63,312 million, decreasing by 8% compared to 2012. The structure of export of Ukrainian goods remains stable, without radical changes. The base of exports are ferrous metals and articles thereof – 27.7% of total exports. There was also a slight decline in the share of machines building industry by 2.3 pp and chemical industry – by 0.4 pp. Imports of goods in 2013 amounted to 76 964 million, decreasing by 9.1% compared to 2012.

According to the State Service of Ukraine from January-September 2013, while there was a growth of the active and engaged population, there was a reduction in the unemployment rate by 0.4 pp compared to the same period of 2012, reaching 7.6%.

## Chapter V

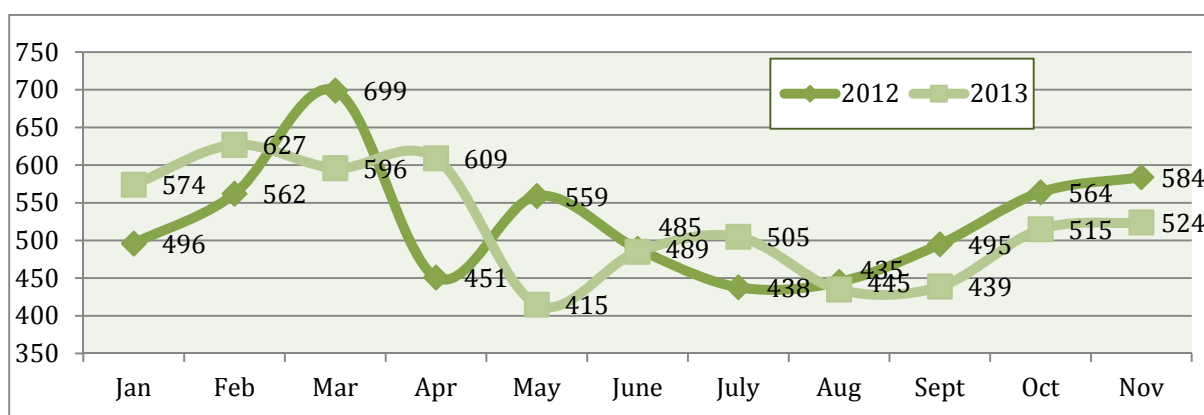
### BUSINESS ENVIRONMENT

#### *The dynamics of registered and deregistered businesses in January-November 2013.*

According to the data of the State Chamber of Registration, on 01.01.2014 the State Register included information about 164,566 legal entities and individual entrepreneurs.

The number of businesses registered in the State Chamber of Registration diminished slightly in January-November 2013 compared to the same period of the previous year, the indicator being 98.9%.

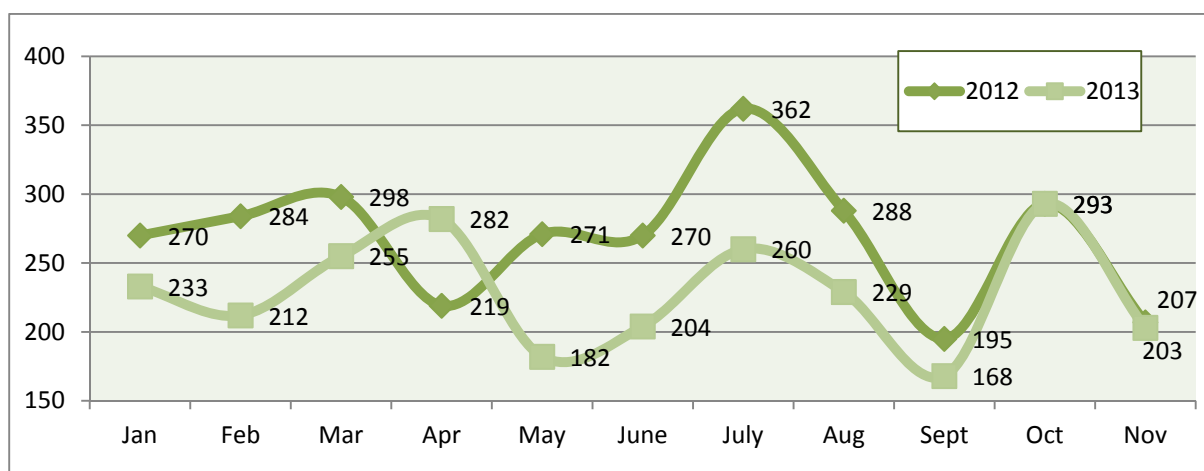
Thus, according to the data of the State Registration Chamber, 5,724 new businesses were registered in the State Registry during January-November 2013.



**Figure 5.1. Evolution of the number of registered businesses during January-November 2012-2013**

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

The number of deregistered businesses during January-November 2013 amounts to 2,521 units or is 14.7% smaller compared to the same period of the previous year.



**Figure 5.2. Evolution of numbers of deregistered businesses during January-November 2012-2013**

**Source:** According to the data of the State Chamber of Registration  
<http://www.cis.gov.md/ru/content/241>

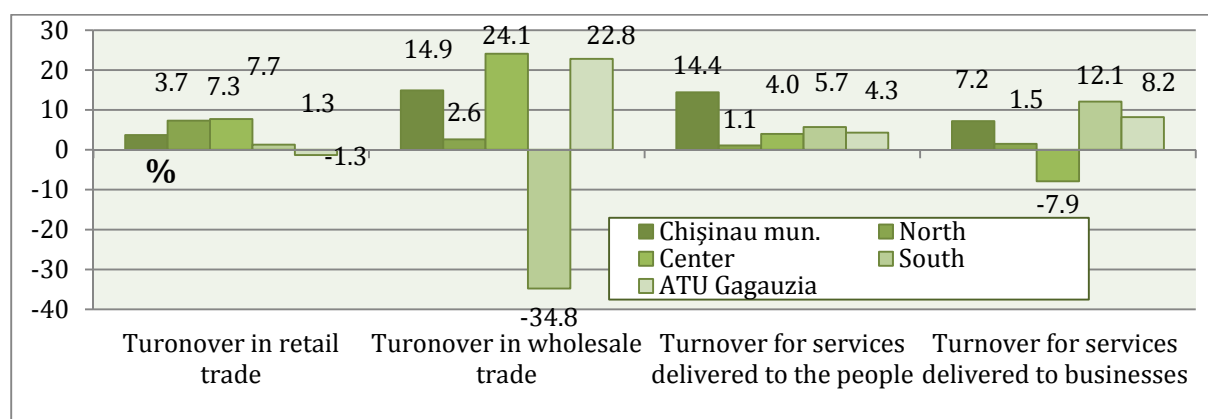
According to the data of the National Bureau of Statistics, in 2013, businesses specialised in retail trade<sup>1</sup> registered an increase by 4.1% (in comparable prices) of return on sales compared to 2012.

In 2013, all regions apart from ATU Gagauzia registered an increase in the turnover of businesses with retail trade as their main activity (a bigger increase registered in North and Center regions amounting to 7.3% and 7.7%, accordingly).

In terms of businesses with wholesale trade<sup>2</sup> as their main field of activity, in 2013 a significant increase of turnover by 13.8% (in current prices) was registered compared to 2012. Businesses from the Center region and from ATU Gagauzia registered a significant increase of turnover compared to 2012 (with 24.1% and 22.8%, accordingly).

It is only in the South region that businesses registered a considerable decrease of turnover in wholesale trade compared to 2012 (by 34.8%).

In 2013, in the South region, the Cantemir rayon alone registered an increase in turnover of businesses with wholesale trade as their main activity compared to the previous period (a rise by 7.1%).



**Figure 5.3. Evolution of the turnover for trade and services by development regions in 2013, in % compared to 2012**

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

In 2013, businesses with market services provided to people<sup>3</sup> registered an increase in turnover (by 10.7%) (in comparable prices) compared to 2012. During this period, businesses in all regions registered an increase in turnover compared to 2012.

Regarding the value index of the turnover at businesses with market services provided particularly to businesses<sup>4</sup> as main activity, in 2013 it registered an increase by 6.3% (in current prices) compared to 2012. Only businesses from the Center region registered a decrease in turnover (by 7.9%).

<sup>1</sup> Entities whose main scope of activity was retail trade, with 20 or more employees, comprised in the monthly statistical research on short term indexes (SERV TS)

<sup>2</sup> Entities mainly operating in wholesale, with at least 20 employees, comprised in the monthly statistical research on short-term indicators (SERV TS)

<sup>3</sup> Entities mainly operating in market services provided to the population, with at least 20 employees, comprised in the monthly statistical research on short-term indicators (SERV TS)

<sup>4</sup> The entities mainly operating in market services provided to companies, with at least 20 employees, comprised in the monthly statistical research on short-term indicators (SERV TS)

**Box 5.1. Moldova in "The 2014 Index of Economic Freedom"**

In terms of economic freedom the Republic of Moldova is rated no. 110 in 2014. The index of economic freedom of Moldova is 57.3, with 1.8 points increase compared to the previous year.

In compliance with the classification in this rating, the economy of the Republic of Moldova is still „mostly not free”. At the regional level the Republic of Moldova is rated no. 39 of 43 countries, thus placing itself under the global and regional average.

The situation improved in terms of 6 out of 10 indexes of economic freedom (Freedom from Corruption, Government Spending, Business Freedom, Monetary Freedom, Investments Freedom and Trade Freedom), with a slight rise registered in indexes. In terms of Investments Freedom, the index registered a significant increase by 15 points.

In terms of Fiscal Freedom and Labor Freedom downfall is registered (by -1.4 and -3.0 points, accordingly).

In terms of Property Rights (40.0) and Financial Freedom (50.0) the indexes didn't change.

„The Index of Economic Freedom” is compiled annually by the Heritage Foundation and the Wall Street Journal. In 2014 the study included 186 participatory countries. Economic freedom is assessed against 10 indexes, also called 10 economic freedoms: 1) Business Freedom; 2) Trade Freedom; 3) Fiscal Freedom; 4) Government Spending; 5) Monetary Freedom; 6) Investments Freedom; 7) Financial Freedom; 8) Property Rights; 9) Freedom from Corruption; 10) Labor Freedom.

***The region of the Republic of Moldova on the left bank of the Dniester River***

During January-September 2013, in the region on the left side of the river Dniester, 61.1% of organisations and businesses obtained net profit and 35.4% registered losses, accordingly (except for small enterprises, banks, budget and insurance organisations). Of the organisations with registered net profit during this period, trade and public catering/nutrition organisations make the biggest part (72.4%). In terms of value, just as a year before, industry enterprises registered a higher net loss (81.6% of total net loss), with a 25.2% increase compared to the same period of the previous year.

**Table 5.1. Data on net profit (loss) of businesses on the left side of Dniester, by types of activity, period January-September 2013**

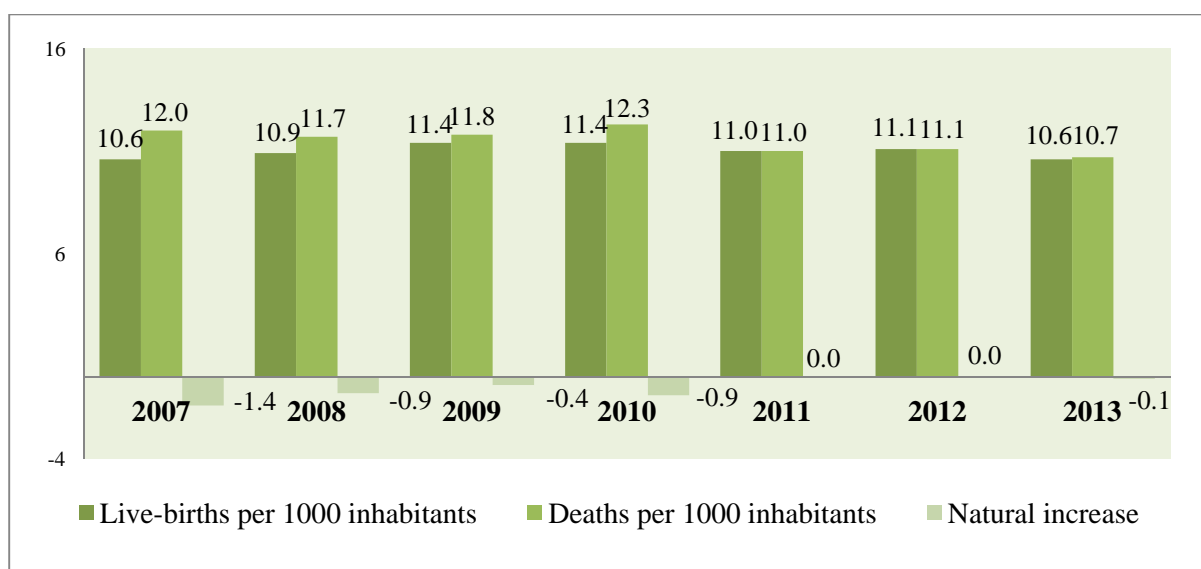
Types of activity	Number of businesses with net profit	% of total number	Number of businesses with net loss	% of total number	Net profit, thsnds ROUB.	Net loss, thsnds ROUB.
<b>Total</b>	<b>195</b>	<b>61.1</b>	<b>113</b>	<b>35.4</b>	<b>871,242</b>	<b>825,926</b>
<b>Industry</b>	48	59.3	33	40.7	297,477	674,493
<b>Agriculture</b>	20	66.7	10	33.3	74,388	12,759
<b>Transport</b>	17	63	10	37	29,235	49,661
<b>Communication</b>	2	22.2	7	77.8	14,729	1,842
<b>Construction</b>	9	52.9	8	47.1	9,007	11,286
<b>Trade and public catering</b>	71	72.4	25	25.5	415,441	20,726
<b>Housing services and utilities</b>	6	24	11	44	4,342	5,467
<b>Other fields</b>	22	68.8	9	28.1	26,623	49,692

**Source:** Social-Economic Development of PMR 2012 (Социально-Экономическое Развитие Приднестровской Молдавской Республики) (preliminary data)

## Chapter VI

### SOCIAL SECTOR

**Demographic situation.** In 2013, the number of *live births* in the country amounted to 37,859 persons, which is 4% less than in the previous year (in 2012 the number of *live births* in the country amounted to 39,435 persons). The *birth rate* was of 10.6 *live births* per 1,000 inhabitants. The number of deceased persons was 38,060. The overall death rate registered a 3.8% decrease in comparison to last year (in 2012 the number of deceased persons was 39,560). The *death rate* was of 10.7 persons per 1,000 inhabitants. The natural decrease was of 201 persons in 2013. The number of *infants deceased* during this period was of 358 persons which is 27 persons less than in the previous year. The *infant mortality rate* was of 9.5 persons under the age of 1 per 1,000 *live births*.



**Figure 6.1. Birth rate, death rate and natural growth rate of the population, 2007-2013, promile**

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

The classification of mortality according to cause of death reveals that most cases of death – 58.1% have been caused by diseases of the circulatory system, 15.5% by malignant tumors, 8.8% by diseases of the digestive system, accidents, intoxications and traumas account for 7.3% of deaths, 4.5% – diseases of the respiratory system and others – 5.8%.

**Table 6.1. Evolution of demographic processes by development regions in 2013, thousand persons**

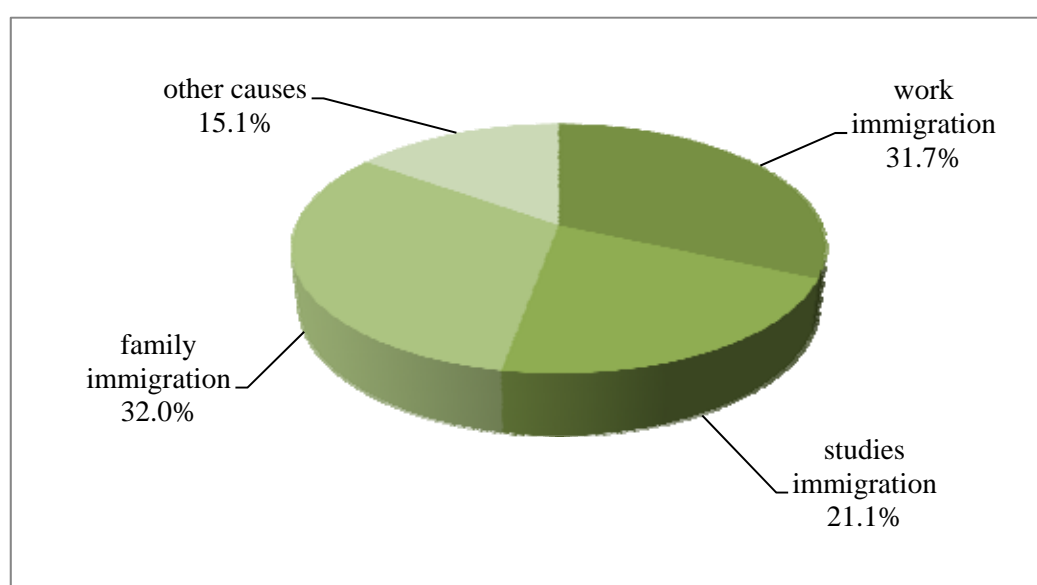
	Live births, persons	Deceased, persons	Infant deceased, persons	Population growth rate	Number of marriages	Number of divorces
<i>Chisinau</i>	7,475	6,020	81	1,455	6,202	2,443
<i>North</i>	10,085	12,901	100	-2,816	6,125	2,800
<i>Center</i>	12,390	11,643	101	747	7,585	3,406
<i>South</i>	5,835	5,858	56	-23	3,293	1,413
<i>ATU Gagauzia</i>	1,897	1,605	17	292	1,114	410

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

The total number of *marriages* in the country amounted to 24,448, indicating a growth by 0.8% in comparison to the previous year. The marriage rate was of 6.9 marriages for every 1,000 people. The total number of *divorces* in the country was of 10,775, showing a 1.3% growth in comparison to the previous year. The divorce rate was 3 divorces for every 1,000 people.

**Migration of the population.** According to the data provided by the Ministry of Internal Affairs, in 2013, 3,349 foreign citizens and 323 repatriated persons have been granted permanent and temporary residence permits. The structure of immigrants by the goal of arrival was dominated by family – 32.0%, work purpose immigrants – 31.7%, citizens immigrating for studies – 21.1%, from other reasons – 15.1%.

By country of emigration, foreign citizens are immigrants from: Romania – 600 persons, Israel – 463 persons, Turkey – 445 persons, Ukraine – 394 persons, Russian Federation – 335 persons, the USA – 125 persons, Italy – 117 persons, Syria – 64 persons, Germany – 55 persons, Belarus – 39 persons, China – 38 persons, Iraq – 35 persons, other countries – 639 persons.



**Figure 6.2. Distribution of foreign citizens by arrival purpose in RM in 2013, %**

**Source:** According to the data provided by the Ministry of Internal Affairs.

During last year, 2,585 persons left the country in order to establish their permanent residence, according to the data provided by the Ministry of Informational Technology and Communications. The most active migrational relationships are maintained with Ukraine and Russia, with 1,054 and 684 emigrants accordingly, 256 persons left for Germany, 169 for Israel and 160 for the USA. The majority of emigrants, both women and men are between 20 and 49 years of age.

**Internal migration.** During 2013, 36.7 thousand inhabitants have changed their place of residence within the country. The intensity of internal migration can be measured according to the number of arrivals and departures per 1,000 inhabitants. The population mobility index registered in 2013 a value of 9.4 persons per 1,000 inhabitants in comparison to 10.3 in 2012.

The number of departures is higher than the country average in 18 regions. The highest relative number of departures has been registered in the following regions: Soldanesti, Calarasi, Basarabeasca, Telenesti, Cantemir, Rezina, Leova, Floresti, Falesti – 9-12 departed persons per 1,000 inhabitants, and 15 in Dubasari raion. As was the case last year, a smaller number of departed persons has been registered in Balti municipality, Taraclia region and Gagauzia – less than 7 departed persons per 1,000 inhabitants.

The number of arrivals was higher in Chisinau municipality – 16 and Balti municipality – 9 arrived persons per 1000 inhabitants. In absolute figures, the highest number of arrivals have been registered in Chisinau municipality – almost 13 thousand persons, Balti municipality – 1.4 thousand persons and in Cahul region – almost 1.1 thousand persons. A positive balance of internal migration has been registered in Chisinau and Balti municipalities and in Cahul and Ialoveni regions.

Most of the internal migrants – more than 90% are persons of working age, predominantly within an age group between 20-49. The flow of arrivals/departures according to gender is: 57% females and 43% males. Approximately 2/3 of the total number of population that have changed their residence in 2013 come from the rural areas.

**Labour market.** *The economically active population of Moldova in 2013* was 1,235.9 thousand persons, increasing by 1.8% (21.4 thousand) compared to 2012. Important disparities by sex and area with regard to economically active persons were not registered: the share of men (51.0%) slightly exceeded the share of women (49.0%) and the share of economically active population in rural areas was higher than that in the urban area: 52.5% and 47.5% respectively. The *activity rate* of the population aged 15 and over was 41.4%, an increase over the previous year value (40.7%). This indicator reached the highest values among men – 44.5%, compared to female – 38.6%. The activity rates by areas had the following values: 45.6% in urban and 38.1% in rural areas. In the 15-29 years age group this indicator had a value of 30.7%, while in the category 15-64 years (working age in the EU countries according to Eurostat methodology) – 46.0%. The activity rate of the working age population (16-56 years for women and 16-61 for men) was 48.9%.

*Employed population* was 1,172.8 thousand persons, up 2.3% compared to 2012. As in the case of economically active population there were no disparities by gender (49.5% female and 50.5% male). The same was true in distribution by areas (46.9% urban and 53.1% rural). The employment rate of population aged 15 and over was 39.3%, with about the same value as in 2012 (0.9 pp). The *employment rate* for men (41.8%) was higher compared to women (37.0%). In the distribution by area this indicator had a value of 42.8% in urban and 36.6% rural. The employment rate of working age population (16-56/61 years) was 46.3% of the population aged 15-64 years – 43.6% and in the age group 15-29 this indicator equaled 28.0%.

From the distribution of employment by activities in the national economy the agricultural sector employs 337.9 pers. (28.8% of total employment). Compared to 2012, the number of employed in agriculture increased by 34.6 thousand pers. or 11.4%. In non-agricultural activities, a number of 834.9 persons were employed, down to 8.6 thousand (-1.0%) compared to 2012. The percentage of persons employed in industry was 12.1% (13.2% in 2012) and construction respectively 5.5% (6.1% in 2012). Compared to the previous year the number of people employed in industry fell by 5.6% and in construction – by 7.3%. The services sector employed 53.5% of total employed individuals, their share being approximately at the level of the previous year (-0.8 pp). However, the absolute number of people employed in the services sector increased by 5.1 thousand.

In the distribution by types of ownership, 73.0% of the population was employed in the private sector and 27.0% – in the public sector. The structure of employed population by employment status reveals that the share of employees made up 68.8% of the total. The vast majority of employees (92.9%) was employed for an indefinite period of time. This indicator has higher values in women (by 2.3 pp) than men.

The number of *unemployed*, estimated according to the definition of the International Labor Office was 63.1 thousand, by 4.6 thousand less than in 2012. Unemployment affected more the men – 60.2% of the total unemployed, as well as people residing in urban areas – 58.3%. The unemployment rate of the country has seen the value of 5.1%, much lower compared to 2012

(5.6%). The *unemployment rate* for men was 6.0% and for women – 4.1%. There were significant disparities between areas: 6.3% in urban areas compared to 4.1% in rural areas. Youth (15-24) unemployment rate was 12.2%. In the 15-29 age group this indicator had a value of 8.7%.

*Inactive population* aged 15 and over was 1,751.2 thousand persons, or 58.6% of the total population of the same age by 17.0 thousand persons less than in 2012 (-0.7 pp). In terms of the relationship with the labor market, the inactive population distinguishes two major categories: discouraged people who have been declared by households left abroad to work or seeking work. People discouraged to even find a job were 19.3 thousand (27.4 thousand 2012). The number of people declared as gone abroad or seeking work abroad constituted 332.5 thousand persons. (328.3 thousand in 2012). Of those reported to have left, 65.2% are men. The share of people who left the rural areas was 71.6%.

The number of *officially unemployed* persons registered in January-December 2013 was 43,463 persons according to the data provided by the National Employment Agency. Women make up 53.4% (23,206 persons) out of all unemployed persons. The number of officially registered unemployed persons that had previously been employed as vocational workers is 17,632, out of which 8,490 are women. The number of officially registered unemployed persons that had previously been employed as civil servants is 6,196 persons, out of which 3,849 are women. The number of officially registered unemployed persons that had previously been employed in other fields is 14,454 persons, out of which 7,575 are women. The number of unemployed persons that have returned to the labour market after a break is 9,377 persons, out of which 4,765 are women. The number of unemployed persons that are looking for a job for the first time is 19,632 persons, out of which 10,866 are women.

**Table 6.2. The number of unemployed persons registered with the National Employment Agency in January-December 2013, persons**

Indicators	Registered persons		Employed	
	Total	Women	Total	Women
Number of unemployed persons – total	43,463	23,296	16,722	9,482
That previously worked in vocational fields	17,632	8,490	13,422	7,117
That previously worked as civil servants	6,196	3,849	3,300	2,365
That previously worked in other areas	14,454	7,575	6,390	1,391
Unemployed persons that returned to the labour market after a break	9,377	4,765	2,530	1,391
Unemployed persons that are in search of a job for the first time	19,632	10,866	7,802	4,563

**Source:** According to the data provided by the National Agency for Employment.

In the beginning of the year there were 26,297 unemployed persons registered, out of which 14,256 persons were women and 7,108 persons are between 16-29 years of age, and 17,937 are from residents of rural areas. The number of unemployed persons that have been registered since the beginning of the year is 43,463, out of which 23,206 are women, 15,484 are persons between 16-29 years of age, 25,163 are residents of rural areas. 16,722 unemployed persons have been employed since the beginning of the year, out of which 9,482 are women, 6,472 are between the age of 16-29, 8,334 are residents of rural areas. 32,165 persons have been deleted from the register since the beginning of the year, out of which 16,518 are women, 10,271 are between the age of 16 and 29 – 21,264 are residents of the rural areas. Number of unemployed persons that are registered at the end of the reporting period – 20,873, out of which 11,462 are women. Number persons granted unemployment insurance – 6,351, out of which 3,431 are women.

**Table 6.3. Evolution of the number of unemployed persons in January-December 2013, persons**

Indicators	Total	Out of the total:		
		Women	Persons between 16 and 29	Residents of the rural area
Registered at the beginning of the year	26,297	14,256	7,108	17,937
Registered since the beginning of the year	43,463	23,206	15,484	25,163
Employed since the beginning the year	16,722	9,482	6,472	8,334
Deleted from the registry since the beginning of the year	32,165	16,518	10,271	21,264
Registered at the end of reporting period	20,873	11,462	5,849	13,502
Number of persons granted unemployment insurance	6,351	3,413	x	3,230

**Source:** According to the data provided by the National Agency for Employment.

According to data obtained from statements made by economic agents regarding job openings, the National Employment Agency counted 4,913 job openings by 13.01.2013. According to data registered by the regional agencies, the number of vacancies available in each Employment Agency in the country regions is the following: Chişinău municipality – 1,723 job openings, Bălţi municipality – 852, Ungheni – 359, Orhei – 185, UTA Găgăuzia – 177, Călăraşi – 135, Cahul – 132, Căuşeni – 131, Şoldăneşti – 114, Sîngerei – 78, Hînceşti – 72, Cantemir – 70, etc. The main professions are: doctor, manager, inspector, cashier, consultant, social worker, accountant, engineer, commercial agent, toll collector, civil servant, mechanic, electrician, programmer, foreman, insurance agent, laboratory technician, secretary, agriculturist, legal adviser, technologist, etc. At the national level, 1,793 job openings are offered to persons with higher education and senior secondary technical education, a number which makes up 36% of all job openings available. High school graduates and persons with secondary vocational education are offered 3,120 job openings by the National Employment Agency, a number which makes up 64% of all job openings available. The following jobs are offered to unqualified workers: auxiliary worker, production and personnel room maintenance, sorter, street sweeper, carrier, nurse, guard (doorman), piler, car washer, territory cleaner.

**Remuneration of labor.** In 2013, the average gross nominal wage within the national economy (4 units of the real sector and all state institutions, irrespective of the number of employees) amounted to 3,765.1 MDL, indicating an increase by 8.3% in its nominal value in comparison to 2012, the real wage (adjusted for the market prices index) increased by 3.5%.

In December 2013 the average gross nominal wage amounted to 4,278.7 MDL, indicating an increase by 10% in comparison to December 2012 and by 12.8% in comparison to previous months (November 2013). Real nominal wage indicator is 104.6% in December 2013 in comparison to December 2012. The average gross nominal wage amounted in December last year to 3,496.8 MDL (+7.0% in comparison to December 2012), in the economic (real) sector – 4,603.2 MDL (+ 10.0% in comparison to December 2012).

**Table 6.4. The average gross nominal wage in 2013 by economic activities, MDL**

Economic activities	2013 Annual average
A	1
<b>Total economy</b>	3,765.1
Agriculture, hunting and forestry	2,475.2
Pisciculture	2,050.7

Table 6.4 – continuation

A	1
Industry - total:	4,044.3
Mining and quarrying	3,860.2
Manufacturing industry	3,669.6
Electricity and heat, natural gas and water supply	5,848.6
Constructions	3,862.3
Wholesale and retail trade	3,162.9
Hotels and restaurants	2,573.4
Transportation and communications	4,440.9
Financial activities	7,382.5
Real estate transactions	4,899.4
Public administration	4,758.7
Education	3,007.7
Health and social work	3,622.3
Other communal, social and personal service activities	3,595.1

Source: according to the National Bureau of Statistics.

**Social protection of population.** The number of pensioners registered with the social security authorities was of 659.6 thousand persons on January the 1<sup>st</sup> 2014 which is 9.7 thousand more in comparison to January 1, 2013, according to the preliminary data of the National Bureau for Social Insurance. Average monthly pension on January 1, 2014 constituted 1,020.6 MDL, registering an increase by 6.6% in comparison to January 1, 2013.

**The subsistence minimum.** The size of the subsistence minimum in 2013 was on average 1,612.3 MDL a month per person, an increase by 6.9% over the previous year. The delimitation of subsistence by areas of residence reveals significant differences, the highest value was recorded for the population of large cities (Chisinau and Balti) – 1,747.0 MDL or by 6.4% more compared to the subsistence minimum for other cities 1,641.7 MDL cities and 12.8% more than in rural areas –1,549.4 MDL. The maximum subsistence volume by categories of population lies with the working age population – 1,710.0 MDL and especially men –1,855.5 MDL. The highest value of the subsistence minimum was recorded in the second half for working age men in large cities – 2,066.0 MDL.

Subsistence minimum for children is on average 1,534.4 MDL a month, with a difference of this indicator, depending on age, from 611.2 MDL for a child aged up to 1 year to 1,726.3 MDL for a child aged 7-17 years. Depending on the type of area of residence, the subsistence minimum for children from the cities is by 12.6% higher than in rural areas, and for children aged 1-6 years this difference is 17.0%. In case of children the biggest gap in the subsistence minimum is observed in the second quarter for children in cities and villages – 17.1%, and for children aged 1-6 years this difference is 22.9%.

Subsistence minimum for pensioners was 1,326.9 MDL and represents 82.3% of the average for the total population. The average size of monthly pension from 1 January 2014 amounted to 1,020.6 MDL, which makes it possible that subsistence coverage for this population to be at 76.9%. If we consider the average pension for the retirement age than the ratio is 79.1%.

Since the monthly allowances for the care of children aged up to 3 years are on average 997.9 MDL for insured people, these payments cover the subsistence minimum for 1-6 year olds at a rate of 75.5%. In case of uninsured individuals, the size of monthly allowances for child care (300 MDL) provides only for 22.7% of the minimum requirement for children aged 1-6 years.

**Disposable income of the population.** In 2013, disposable income of the population was a monthly per person average of 1,681.4 MDL, increasing by 11.4% over the previous year according to the Household Budget Survey. In real terms (with an adjustment to consumer price index) household income rose 6.5%. The most important source of income for the population are salary earnings, accounting for 41.6% of total disposable income. Compared with 2012 there has been a reduction in the contribution of salaries in total income by 1.1%, due to a lower level of the share of employees in total employed population Q. IV of 2013.

Own activities represent 16% of the average monthly income of a person, mainly individual employment in agriculture with a share of 9.1%. However, revenues from individual non – agricultural activities have contributed to the creation of 6.9% of the population revenues.

Depending on the area of residence, it is ascertained that the household income in urban areas was on average 640.2 MDL or 1.5 times higher than in rural areas. For the urban population the main sources of income are the employment, which provided income to the population at a level of 53.8% (55.4% in 2012) and social benefits – 18.6% (16.2% in 2012). For the rural population, the employment is the most important source of income (28.3%), but its contribution is almost 2 times less than in urban areas. However, revenues from individual agricultural activities provided 17.8% of total disposable income.

Compared to urban areas the rural population is dependent on transfers from abroad to a larger extent, their share in the revenues is 22.9% compared to 12.3% for the urban population. In addition, the rural population is more inclined to a larger share of social benefits, 21.3% of total revenues compared to 18.6% in urban areas.

**Average monthly consumption expenditures of the population** in 2013 amounted to an average of 1,775.8 MDL per person, an increase over the previous year by 11.1%. In real terms (adjusted to consumer price index) population spent on average 6.2% more compared with 2012.

Most of the expenditures is for food consumption – 42.8%, or by 0.4 pp less than in 2012. For household maintenance, a person spends on average 19.2% of total consumption expenditures (+0.7 pp) and clothing and footwear – 10.3% (-0.3 pp). Other expenses were directed at health (5.7% versus 5.6% in 2012), transport (4.7% versus 4.2%), communications (4.2% vs. 4.4%), equipping the house (3.6% vs. 3.5%), education (0.8% vs. 1.0%), etc.

Given that the urban population has higher incomes, consumer spending of this population is by 607.3 MDL or 1.4 times higher than the expenditures of the rural population. In urban areas, in order to ensure the consumption of food, the population spent 40.9% of monthly consumption expenditures (40.6% in 2012), and rural – 44.9% (46.0%). However, urban versus rural population spends more on household maintenance (20.3% vs. 18.0%), transport (5.3% vs. 4.0%), communication services (4.5% compared 3.9%), recreational services (2.1% vs. 0.9%), hotels and restaurants (2.5% vs. 0.6%).

In the structure of consumption expenditures of population, cash spending prevails – 90.2%, while in kind is at 9.8%. In urban households spending in kind is 3.6% and usually represents consumption of free food received from outside the household (family, welfare, etc.). For rural households, in kind expenditures are more significant (16.3%), since food consumption is covered by products derived from their own agricultural activity.

**Education. Activity of the primary and general secondary education institutions during the school year 2013/14.** In the beginning of the school year 2013/14, the network of primary and general secondary education includes 1,374 schools, gymnasiums and lyceums, including 1,372 day schools and 2 evening schools. The majority of primary and general secondary education (98.7%) represents public property. At the same time, 18 non-public lyceums activated in the country, which are located in urban areas only.

**Table 6.5. Primary and Secondary General Education institutions 2012/13 and 2013/14 school years, units**

	2012/13		2013/14	
	Total	including state owned institutions	Total	including state owned institutions
<b>Total</b>	<b>1,397</b>	<b>1,379</b>	<b>1,374</b>	<b>1,356</b>
<i>Day schools</i>	<i>1,394</i>	<i>1,377</i>	<i>1,372</i>	<i>1,354</i>
primary schools	108	108	112	112
Basic schools (gymnasiums)	767	767	771	771
Lyceums	491	474	466	448
schools for children with intellectual or physical disabilities	28	28	23	23
<i>Evening schools</i>	<i>3</i>	<i>2</i>	<i>2</i>	<i>2</i>

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

The number of primary and general secondary education institutions decreased by 22 compared to previous school year. The network of primary and secondary general institutions of day education is the following: 112 primary schools, 771 secondary schools, 466 high schools and 23 schools for children with intellectual and physical. 335 institutions from the total number of general primary and secondary educational institutions activate in urban area (with 8 units less), and 1,037 institutions in rural area (with 14 units less). At the same time, out of the total number of urban institutions, lyceums represent 69%, and in rural area basic schools (gymnasiums) prevail with a rate of 68%.

At the beginning of the 2013/2014 school year, 352.0 thousand students have been enrolled in general primary and secondary day educational institutions, that is by 3.8% less in comparison to the previous school year. Majority of students enrolled in general primary and secondary educational institutions (98.8%) study in public schools. The number of students in private schools is of 4.2 thousand persons, which is by 2.4% less in comparison to the school year 2012/13. On the average, there are 989 pupils per 10 thousand inhabitants in comparison with 1029 in the previous school year. In territorial aspect, most pupils were enrolled in the Central area (1,019 per 10 thousand inhabitants), and the smallest number in the Northern area (936 per 10 thousand inhabitants).

Pupils enrolment rate by level of education in primary and general secondary education is the following: 138.6 thousand (39.4%) are enrolled in primary education, 166.8 thousand (47.4%) – in gymnasium education and 46,6 thousand (13.2%) – in lyceums. Compared to 2005/06 school year the rate of pupils enrolled in gymnasium education and lyceums decreased respectively by 4.3 pp and 1.5 pp and the rate referring to primary education increased by 5.8 pp

In 2013, 35.2 thousand persons graduated from gymnasiums, that is by 8.3% less compared to 2012. 18.8 thousand persons graduated from lyceums that is equal to the level from 2012. 63% from the total number of persons that graduated from gymnasiums are from the rural area, while the situation is opposite in respect to lyceums graduates: 64% are from the urban area. At the same time, 80.6% from the total number of graduates passed their baccalaureate exams compared to 96.9% in 2012.

At the beginning of 2013/14 school year, 1,154 persons were registered in the 2 evening schools operating in the Republic of Moldova, that make up 0.3% out of the total number of pupils enrolled in primary and general secondary education. 83 persons that graduated from evening schools received certificates of gymnasium education and 551 persons received baccalaureate diploma.

**Secondary vocational education.** During the school year 2013/14, the network of institutions of secondary vocational education covered 67 institutions. The number of students in the secondary specialized education decreasing, registering at the beginning of 2013/14 – 18.2 thousand students in comparison to 19.6 thousand in the previous school year.

In the 2013/2014 school year the number of students in secondary vocational education was 11.2 thousand people, which is 5.9% less compared to the previous school year. The majority of students were enrolled after graduating from gymnasiums – 9.4 thousand people (83.9% out of the total number of enrolled persons). The most asked for professions/specialties are the following: cook (11.2% out of the total number of enrolled in comparison to 11.1% in 2012/13 school year), car mechanic (11.2% in comparison to 11.0%), plasterer (8.3% in comparison to 9.0%), electric and gas welder and installer (6.0% in comparison to 6.1%), seamstress in ready-made industry (5.2% in comparison to 5.3%), operator of computers (4.7% in comparison to 5.3%), carpenter (3.5% in comparison to 3.1%), tractor driver (3.4% in comparison to 3.3%) etc.

**Specialized secondary education.** During the school year 2013/14, secondary specialized education was organized in 45 colleges, including 41 public and 4 private colleges (with 2 units less compared to the academic year 2012/13). At the beginning of the 2013/14 school year the number of students represented 29.3 thousand people, 4.6% less in comparison to 2012/13 school year. The majority of students are enrolled public colleges.

In the 2013/14 school year, 8.2 thousand people were enrolled in colleges that is by 6.8% less in comparison to the previous school year. The most popular specializations are: economics (14.3% out of the total number of enrolled persons in comparison to 11.9% in 2012/13 school year), medicine (13.6% in comparison to 12.7%), transportation (9.8% in comparison to 9.4%), services (6.8% in comparison to 6.5%), mechanics (5.5% in comparison to 5.2%), constructions (5.4% in comparison to 5.3%), computers (5.3% in comparison to 5.0%) etc.

**Higher education institutions in 2013/2014 school year.** During the school year 2013/14, the higher education network included 32 units, of which 19 are public institutions and 15 – private (with 2 units less compared to previous year). Only two of the 19 state institutions have the II Cycle – master's degree studies.

At the beginning of 2013/14 school year, the number of students was of 97.3 thousand people (not counting foreign students), of which 78.9 thousand (81.1%) are enrolled in public institutions. There is a continuous decreasing trend in participation of students in higher education, 5.2 thousand people less being enrolled in higher education in comparison to the 2012/13 school year. This decrease has been determined by the decrease of the number of students enrolled in day education, both in public institutions (4.3 thousand less) and private institutions (1.6 thousand less). At the same time, in the public institutions the number of students paying tuition fee decreased significantly (4.0 thousand less). In average, there were 273 students in higher education institutions per 10 thousand inhabitants, compared to 288 students in the previous school year.

**Table 6.6. Students in higher education institutions in 2012/13–2013/14 school year, pers.**

	2012/13			2013/14		
	Total number of students	of which:		Total number of students	of which:	
		Female students	Paying the tuition fee		Female students	Paying the tuition fee
A	1	2	3	4	5	6
<b>Total</b>	<b>102,458</b>	<b>57,371</b>	<b>74,118</b>	<b>97,285</b>	<b>55,067</b>	<b>69,187</b>
Full-time education	70,253	39,851	43,794	64,352	36,852	38,223

Table 6.6 – continuation

A	1	2	3	4	5	6
Part-time education	32,205	17,520	30,324	32,933	18,215	30,964
<b>Public institutions</b>	<b>83,008</b>	<b>47,639</b>	<b>54,668</b>	<b>78,919</b>	<b>45,586</b>	<b>50,821</b>
Full-time education	57,982	33,511	31,523	53,656	31,084	27,527
Part-time education	25,026	14,128	23,145	25,263	14,502	23,294
<b>Private institutions</b>	<b>19,450</b>	<b>9,732</b>	<b>19,450</b>	<b>18,366</b>	<b>9,481</b>	<b>18,366</b>
Full-time education	12,271	6,340	12,271	10,696	5,768	10,696
Part-time education	7,179	3,392	7,179	7,670	3,713	7,670

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

The share of students enrolled in part-time education accounted for 33.9% registering an increase by 2.5 pp in comparison to 2012/13 school year. The share of females is higher than that of men – it accounted for 56.6% out of the total number of students. The share of students paying tuition fee in public institutions accounted for 64.4% in comparison to 65.9% in 2012/13 school year. Depending on the form of studies, it was determined that the majority of students enrolled in part-time education pay their tuition fee (92.2% in comparison to 92.5% in 2012/13 school year), and those enrolled full-time education, respectively 51.3% in comparison to 54.4%.

*Graduates.* In 2013, the number of graduates from Cycle I was of 17.7 thousand people, registering a decrease of 11.9% in comparison with 2012. In regards to Cycle II, there was an increase by 7.4% and the number of graduates was of 6.3 thousand persons. At the same time, there was an increase by 10% in higher medicine and pharmacology studies. Depending on general fields of study, a greater share of students chose economic sciences and education sciences, compared to the share of graduates from law and engineering education (respectively, 28.8% and 15.4% out of the total number of licentiates in comparison to 11.6% and 10.9%).

At the beginning of the 2013/14 school year, the number of foreign students registered 2.1 thousand people being by 5.4% higher than in the previous school year. The most students are from Israel – 72.5%, Ukraine – 7.7%, Romania – 5.1%, Russia – 3.8% and Turkey – 3.3%.

*Teaching staff.* 5.7 thousand persons performed their didactic activity in higher education institutions (as permanent staff), by 4.4% less compared to the previous school year. Teaching staff with scientific degree registered 2.8 thousand persons, including 2.4 thousand PhD and 0.4 thousand – PhD habilitate.

**Box 6.1. The School-to-Work Transition in the Republic of Moldova**

According to the National Bureau of Statistics research that was conducted in March 2013 under the "Programme of International Labour Office (ILO) *Youth Employment*" and is a complementary module attached to Labour Force Survey, in the Republic of Moldova, 223.9 thousand persons representing 31.7% out of the total number of young people aged 15-29 years performed activity resulting in an income, which means that they represent economically active population. The distribution by type of production units where young people perform their activity, reveals that 4 of 5 (82.6%) have been employed in the formal sector, 12.9% – in the informal sector, and the rest (4.5%) – in households. 7 out of 10 young persons carried out formal activities and, respectively, 3 out of 10 (28.5%) – informal activities.

The distribution by economic activities (economic activities according to the Classification of Economic Activities of Moldova) reveals that 3 out of 10 young persons were employed in wholesale and retailing commerce, hotels and restaurants, 2 out of 10 – in public administration, education, health protection and social assistance, 13.8% – in agricultural sector, 11.1% – in industry, 7.0% – in transportation and communication and 6.9% – in constructions.

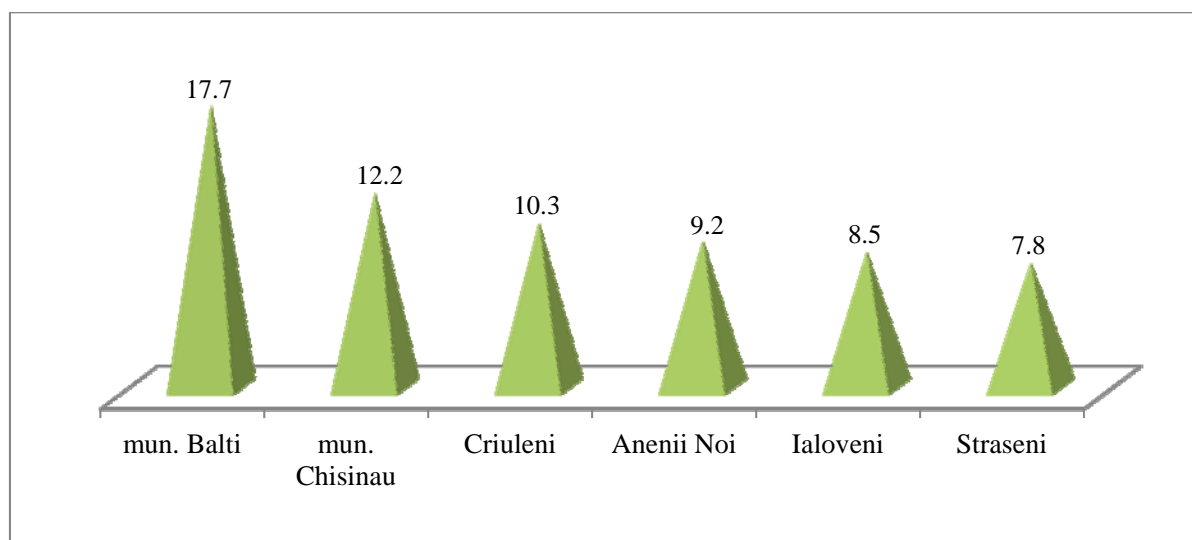
The distribution by occupations (according to major groups of occupation provided by Occupation Classification of the Republic of Moldova) that specifies the functions performed or professions held by the employees at their work place revealed a prevalence of the group of workers in services, trade and those assimilated (23.6%), followed by the group of experts with intellectual and scientific occupations (21.7%) and the group of unskilled workers (19.7%). Significant disparities were registered in the distribution of the employed population by sex and level of education. The highest rate of male workers has been revealed in the unskilled workers group (1 out of 4 or 24.4%), followed by: specialists with high level of qualification, specialists with intermediate level of qualification, workers in services and trade, and those assimilated to them, and the group of qualified employees in industry, construction, transportation and telecommunications (the rates of these occupational groups vary between 13.2% – 15.5%). Among women employed, leading position is held by the group of workers in service, trade and those assimilated (3 of 10, or 32.3%), as well as the group of specialists with a high level of qualification (27.9%). In the urban area, the group of specialists with a high level of qualification hold the highest rate (28.0%), while in rural area this position is hold by the group of unskilled workers.  $\frac{3}{4}$  of the latter work in the agricultural sector. The distribution by status in employment, revealed that 4 of 5 young persons (80.1%) work as employees, 18.0% – are freelance workers and 1.9% are self-employed family workers. The majority of young employees (86.9%) are employed on a labor contract basis. At the same time, 1 out of 8 young workers performed his job based on oral agreement, without an individual labor contract. This kind of undeclared activity made up 13.1%. Depending on the duration of a labor contract or oral agreement, the majority of employees (9 of 10, or 89.0%) have been employed for an indefinite period of time, and one of 10 (11.0%) – for a definite period of time. The main reasons for employment of young people for a definite period of time was to substitute temporarily missing workers (18.1%) and establish a probation period for employees (17.6%).

**Healthcare.** In 2013, population morbidity due to infectious diseases revealed an increase of morbidity cases from influenza and hepatitis, according to preliminary data from the Ministry of Health. At the same time, in 2013 more cases of acute respiratory infections have been registered – 259.9 thousand cases in comparison to 199.1 thousand cases in 2012.

In the structure of infectious diseases the most frequent are acute viral respiratory infections. In 2013 on average 7.3 thousand of morbidity cases were caused by acute respiratory infections per 100 thousand population; there was a prevalence of cases in Balti and Chisinau municipalities, with 17.7 thousand and, respectively 12.2 thousand cases per 100 thousand population. Distribution of cases by territorial criterion is as follows: Criuleni – 10.3 thousand cases per 100 thousand inhabitants, Anenii Noi – 9.2 thousand, Ialoveni – 8.5 thousand, Straseni – 7.8 thousand cases etc.

In 2013, there was an average of 448 cases of acute intestinal infection per 100 thousand inhabitants, 86 cases of TBC, 7 cases of viral hepatitis and 250 cases of “socially determined” diseases per 100 thousand population. A significant reduction has been reported in the number of bacteria dysentery from 592 cases in 2009 (17 cases per 100 thousand population) to 355 cases in 2013 (10 cases per 100 thousand population). The number of cases of viral hepatitis varied, having a decreasing phase in 2012 with 163 cases registered (around 5 cases per 100 thousand population) and an increasing phase in 2013 – 242 cases registered (7 cases per 100 thousand population.)

The number of TBC cases decreased as well, from 3.3 thousand cases in 2009 (93 cases per 100 thousand population) to 3.1 thousand cases in 2013 (86 cases per 100 thousand population). Vaccination and prophylaxis care contributed to a continuous decline of cases of mumps: thus in 2009, 7 cases of mumps per 100 thousand population have been registered, while in 2013 only 1.5 cases per 100 thousand population have been reported.



**Figure 6.3. Morbidity caused by acute respiratory infections in 2013, thousand cases per 100 thousand population**

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

According to the estimations, 467 persons with Human Immunodeficiency Virus (HIV) were registered in 2013, 15 cases less in comparison to 2012, on average 13.1 HIV cases per 100 thousand population. At the same time, 176 cases of Acquired Immunodeficiency Syndrome (AIDS) have been registered.

**Crimes.** During recent years there has been an increase in registered crimes – from 25.7 thousand cases in 2009 up to 38.2 thousand cases in 2013, according to the information provided by the Ministry of Internal Affairs. Out of the total number of registered crimes, 3.3% or approximately 1.3 thousand cases refer to extremely severe and very severe crimes, 6.5 thousand cases (17.0%) refer to severe crimes, and the most part of the cases refer to less severe crimes – 21.2 thousand cases or 55.5%. In the last 5 years the number of misdemeanours has tripled. The number of crimes registered per 10,000 inhabitants was of 107 crimes, against 72 crimes in 2009. In Chisinau municipality, the crime rate was 176 crimes per 10,000 inhabitants, which exceeds the average country rate by 1.6 times. A high rate of crimes has been registered in Balti municipality – 124 crimes per 10,000 inhabitants.

Total, in 2013 registered increasing trends in the number of crimes against family and children (by 1.5 times), the number of cases of domestic violence significantly increased – by 1.6 times. The number of crimes against property increased by 8.7%, as well as cases of pickpocketing, blackmail, fraud and theft. Fewer cases of crimes against life and health have been registered, fewer sexual crimes, crimes against public health and social cohabitation, and fewer economic crimes.

Each 9<sup>th</sup> crime was committed in public places. 84 cases of crimes committed with the help of fire arms, explosives and grenades during 2013, including 28 cases of deliberate bodily injury, 16 cases of hooliganism, 10 cases of robbery and 6 murder cases. As a result of the crimes committed during 2013, 698 persons lost their lives, which is 52 persons more in comparison to 2012. The main causes of death being vehicle crashes (31.7%), murders (21.3%), and deliberate bodily injuries (15.9%).

In 2013, 2,603 vehicle crashes have been registered, which is by 4.1% less than the year before. Each day, approximately 7 vehicle crashes took place, which resulted in 295 casualties, among which 21 were children; 3,221 persons were traumatized, out of which 545 were children.

According to the data provided by the Civil Protection and Emergency Situations Service under the Ministry of Internal Affairs, the number of fires in 2013 – 1,746 cases, decreased by 12.0% in comparison to the year before. As a result of the fires, 126 casualties have been registered, including 11 children.

*The region of the left side of the Dniester river.*

**According to the data of the Statistical Service of Transnistria:**

**Demographic situation.** The number of population on January the 1st, 2014 was of 505.2 thousand inhabitants, out of which 349.2 thousand - urban population and 155.9 thousand – rural population. The natural decrease in 2013 was of 2,061 persons, decreasing by 2.2% in comparison to 2012. 4,806 live births have been registered, and the number of deaths constituted 6,867. Infant mortality in 2013 amounted to 34 persons, compared to the previous year it decreased by 33.3%. The following are the main causes for infant mortality: some diseases occurred in perinatal period (12 cases), congenital anomalies (7 cases), poisonings (4 cases).

*Migrational decrease* of population in 2013 amounted to 2,225 persons, taking into consideration internal and external migration, there was an increase by 19.9% in comparison to the previous year. In 2013, 7,588 persons arrived into the region which is 99.6% of the number arrived in 2012. Out of the total number of the arrived, 1,572 are children under 16 years (20.7%). The region was left by 9,813 persons which is 103.6% of the number of persons that left the region in 2012, including children under 16 years – 1,573 persons (16.0% out of the total number). Out of the total number of persons that have arrived into the region, 45.5% are men (3,454 persons), out of the number of persons that left the region – 46.2% are men (4,533 persons). In 2013, 5,177 persons arrived in the urban area, 7184 persons left the urban area, which is 97.6% and respectively 103.6% in comparison to 2012. 2,411 persons arrived and 2,629 left the rural area, which is 104.4% and respectively 103.6% in comparison to 2012.

The number of registered *marriages* amounted to 3,546, the marriage rate increased by 2.2% compared to 2012. The number of *divorces* amounted to 2,053, the divorce rate decreased by 0.2% compared to 2012.

**Labor market.** The employed population was of 104.0 thousand people on January 1st, 2014, in decrease with 496 persons or by 0.5% compared to 2012. At the end of 2013, the number of unemployed persons registered at the labor force agencies was of 4,279 persons, decreasing by 13.5% in comparison to the end of 2012. 2,540 persons or 59.4% out of the total number of the unemployed are women. In total, in 2013, 2018 persons have been employed through the Transnistria Labor Force Agency. In 2013 professional consultancy has been offered to students: 252 group consultancy sessions which involved 4,348 persons and 1,277 individual consultancy sessions which involved 1,256 persons, as well as for adults: 6161 individual consultancy sessions which involved 5,923 persons. Expenditures on vocational background development amounted to 499.3 thousand rubles, including 236.5 thousand rubles for scholarships. Unemployment insurance paid amounted to a total of 16,493.8 thousand rubles. The average unemployment insurance in 2013 was of 410.6 rubles.

**Remuneration of labor.** The average nominal gross salary of an employee during 2013, excepting the persons involved in small entrepreneurship, registered 3813 rubles, that is 111.5% compared to 2012 (at the official exchange rate of monetary officials from the left side of the Dniester river this is 344 USA dollars and equals to 112.1% compared to 2012).<sup>1</sup>

<sup>1</sup> The official rate of monetary authorities from the left side of the Dniester river in 2013 was: 1 USA dollar=11.1000 rubles; 1 MDL=0.8647 rubles.

Within the assessed period, the average nominal gross salary of a employee in the following sectors was higher than the average salary in the region: "Electric and radio-communications" (8,993 rubles or 810 USD), "Banks and credits" (8,102 rubles or 730 USD), "Insurance" (6,339 rubles or 571 USD), „Industry" (4,876 rubles or 439 USD), "Entertainment, sport and tourism activities" (4,618 rubles or 416 USD), "Retail trade and restaurants" (4,756 rubles sau 428 USD), "Wholesale activity (4,269 rubles or 385 USD), "Construction" (4,449 ruble or 401 USD), "Transportation" (4,141 rubles or 373 USD), "Real estate transactions" (3,734 rubles or 336 USD).

As well, the average nominal gross salary of an employee in following sectors was smaller than the average salary in the region: "Geology and meteorology" (1,732 rubles or 156 USD), "Forestry" (2,037 rubles or 184 USD), "Social assistance" (1,973 rubles or 178 USD), "Postal services" (2,084 rubles or 188 USD), "Arts and Culture" (2,331 rubles or 210 USD), "Public Administration" (2,494 rubles or 225 USD), "Health care" (2,507 rubles or 226 USD), "Education" (2,466 rubles or 222 USD), "Science" (2,719 rubles or 245 USD), "Agriculture" (3,063 rubles or 276 USD).

In the industry sector, the average nominal gross salary of an employee in following sub-sectors was bigger than in the others: electric energy – 5,403 rubles or 487 USD, that is by 41.7% higher than the average salary in the region; metallurgy – 5,668 rubles or 511 USD that is 148.6% of the average salary in economy; food industry – 4,632 rubles or 417 USD, that is by 21.5% higher than the average salary in economy; chemical industry – 3,898 rubles or 351 USD that is by 2.2% higher than the average salary in the economy. The lowest average nominal gross salary in 2013 has been paid to employees in the following industry sub-sectors: other industrial sectors – 2,357 rubles or 212 USD, that is by 61.8% lower than the average salary in the region; manufacture of wood and wooden products – 2,715 rubles or 245 USD, that is by 28.8% lower than the average salary; polygraph industry – 3,456 rubles or 311 USD, that is by 9.4% lower than the average salary in the region.

**Social protection of population.** The average number of pensioners was 140,804 persons at the end of 2013 that is by 1.2% more in comparison to 2012. Out of the total number of retirees, 135,851 persons receive pensions for work experience and 4,357 persons – social pensions. Average size of awarded monthly pension was of 1,310.51 rubles (at the official exchange rate of the monetary authority from the left side of the Dniester river this is 118.06 USD or 1,515.57 MDL). Pensions for work experience amounted to 1,332.89 rubles, social pensions – 612.70 ruble which is by 10.3% higher if compared to the similar period of time in the previous year.

**Table 6.7. Average number of pensioners and average size of pensions in the region on the left side of the Dniester river in 2013**

	The average number of pensioners, pers.				Average amount of pension, rubles			
	January - march	April - june	July - september	October - december	January - march	April - june	July - september	October - december
<b>Persons receiving pensions, in total</b>	<b>138,745</b>	<b>138,959</b>	<b>139,342</b>	<b>140,208</b>	<b>1,233.09</b>	<b>1,249.01</b>	<b>1,263.77</b>	<b>1,310.51</b>
<i>including:</i>								
work experience pensions	134,374	134,616	135,002	135,851	1,254.28	1,270.32	1,285.29	1,332.89
social pensions	4,371	4,342	4,340	4,357	581.48	588.52	594.19	612.70

**Source:** According to the data of the Statistical Service of Transnistria.

**Subsistence minimum.** In 2013 the subsistence minimum in average for one person was 1,230.17 rubles per month, which is by 5.9% more than in 2012 (at the official exchange rate of monetary authority from the left side of the Dniester river - this is 110.83 USD or 1,422.66 MDL).

In December 2013 the average subsistence minimum per person was 1,247.09 rubles per month. By population categories, the value of the subsistence level for the economically active population was: for men – 1,364.24 rubles monthly, for women – 1,296.51. The subsistence minimum for retirees was 1,021.94 rubles monthly, children under 6 years – 1,129.34 rubles, children of 7-15 years – 1,382.27 rubles monthly.

**Table 6.8. Subsistence minimum in the region from the left side of the river Dniester in 2013** (in average for one person, rubles per month)

	Total population	including:				
		Economically active population		Pensioners	Children	
		Men	Women		aged under 6	7 to 15
January	1,207.29	1,324.68	1,251.53	988.16	1,091.92	1,340.72
February	1,224.98	1,343.02	1,271.98	1,004.66	1,103.22	1,354.92
March	1,223.12	1,340.44	1,270.60	1,003.60	1,100.75	1,352.02
April	1,228.40	1,346.24	1,275.41	1,008.12	1,103.47	1,361.53
May	1,241.11	1,359.82	1,285.77	1,017.69	1,118.97	1,386.47
June	1,256.36	1,375.52	1,300.19	1,030.45	1,135.22	1,409.57
July	1,229.80	1,348.69	1,275.41	1,007.99	1,105.30	1,368.07
August	1,208.00	1,324.86	1,256.07	989.05	1,085.37	1,335.01
September	1,221.64	1,338.63	1,270.56	999.87	1,099.25	1,353.23
October	1,234.25	1,350.29	1,282.91	1,011.06	1,117.18	1,370.09
November	1,239.95	1,355.93	1,289.59	1,015.82	1,123.65	1,374.39
December	1,247.09	1,364.24	1,296.51	1,021.94	1,129.34	1,382.27

**Source:** According to the data of the Statistical Service of Transnistria.

**Crimes.** In 2013, public order protection agencies recorded 11,447 complaints and reports regarding crimes, which is 8.6% less than in 2012. 4,897 crimes have been registered, which is 9.6% less than in the year before. Out of the crimes registered: 53 – murders, 52 – grievous bodily injuries, 275 crimes related to illegal weaponry trafficking, 134 crimes committed with the use of fire arms, ammunition and explosives, 458 – crimes against public order, 542 – crimes related to narcotics, 138 – frauds, 1,264 – larceny, 178 – thefts, other crimes – 1,217, etc. As a result of the committed crimes, 2,837 people had to suffer, out of which 90 persons died (3.2%), and 75 persons (2.6%) suffered from grievous bodily injuries.

**Education.** At the beginning of the school year 2013/14, the network of general education included 173 public and private institutions (in 2012 – 178 institutions), in which 46,165 persons have been enrolled, by 1.4% less compared to previous year. Out of the total number of schools, at the beginning of the current school year, there were 9 schools for children with disabilities in intellectual and physical development where 1,045 persons have been enrolled. The Transnistrian Ministry of Education network of general institutions of full-time education amounted to 167 institutions and enrolled 45128 persons. The number of pupils decreased with 525 persons compared to the beginning of the previous school year, namely it numbered 591 persons less in rural areas and 66 persons more in urban areas. Pupils' rate in general educational institutions of different types (excepting special schools for children with disabilities in intellectual and physical development) basically didn't change in comparison to the previous school year. At the beginning of the school year 2013/14, the rate of pupils enrolled in lyceums increased from 5.2% to 5.4%; the rate of pupils studying in schools that have lyceum classes increased from 8.0% to 8.1%. The rate of pupils enrolled in gymnasiums increased from

9.0% to 9.1%; the rate of pupils studying in schools that have gymnasium classes decreased from 1.8% to 1.6%.

**Table 6.9. Distribution of students in general education institutions of the region on the left side of the river Dniester in the school year 2013/2014**

	The number of general education institutions at the beginning of the 2013/2014 school year, units			Students, pers.		
	Total	including:		Total	including:	
		Urban	Rural		Urban	Rural
<b>Total</b>	<b>167</b>	<b>79</b>	<b>88</b>	<b>45,128</b>	<b>33,784</b>	<b>11,344</b>
<i>including:</i>						
primary schools	3	1	2	191	179	12
schools for general intermediate studies	26	2	24	1,841	225	1,616
general education boarding schools	1	-	1	95	-	95
general intermediate educational institutions	79	46	33	28,713	21,483	7,230
general intermediate education boarding schools	3	1	2	584	190	394
general educational institutions – kindergartens	26	1	25	1,823	19	1,804
Lyceums	6	6	-	2,359	2,359	-
Gymnasiums	6	6	-	3,992	3,992	-
schools with lyceum classes	5	5	-	3,590	3,590	-
schools with gymnasium classes	2	2	-	726	726	-
cadets education boarding schools	1	1	-	169	169	-
schools for children with disabilities in intellectual and physical development	9	8	1	1,045	852	193

**Source:** According to the data of the Statistical Service of Transnistria.

## Chapter VII

### FORECAST FOR 2014

The forecast of the national economy evolution in 2014 was based on the macroeconometric model of the NIER, while taking into account the views of other experts in the field. The forecast is prepared in a single scenario, currently considered as the most probable, and based on the actual situation both within and outside the country. It took into account some factors of influence on the national economy, both positive and negative. In this context, it is expected that in 2014, the national economy will have a moderate upward trend with an increase in GDP of 3.7% over the previous year.

#### Assumptions of the forecast

The development of national economy in 2014 is based on the following hypothetical assumptions:

- The exchange rate of the national currency will be on average MDL 13.2 / USD. In 2013, Moldovan Leu depreciated from Lei 12.6 to Lei 13.04 at the end of the year. This trend is maintained in 2014 (Lei 13.06 on January 3<sup>rd</sup> and Lei 13.4 on March 25<sup>th</sup>) and a maximum depreciation during the period – 13.7 lei/U.S. dollar (February 27<sup>th</sup>);
- The average interest rate on loans for 2014 is projected at 11.3%, which represents a decrease of 8% compared to 2013. In February 2014, the average interest rate on loans was 11.96%, decreasing by 0.33 percentage points from January.
- Remittances (money transfers from abroad) are assumed to increase by 3%. In 2013, money transfers from abroad in favor of individuals amounted to USD 1,609 million, increasing by 10% compared to 2012. Such an increase is not expected to happen in 2014. Transfers made in the first month of this year amounted USD 91.68 million or 7% less than in the same period last year. In the event that Russia, which hosts the majority of Moldovan migrants imposed tough sanctions for immigrants stay in the country and working conditions, including their expulsion, remittances could mark a significant reduction;
- Overall, external factors, could positively influence the development of the national economy, but some negative factors are not excluded either. According to the estimates of IMF experts, in 2014, global GDP will increase by 3.6% or 3.7%, according to the latest updates. An increase in the consumer price index by 3.8% is expected, but at the same time one expects a decrease in natural gas prices by 1.9% and mineral products – by 6.1%. The initialing of the Association Agreement with the European Union will lead to a transition to another level of economic integration in the European market. Optimal conditions for economic development will be generated by the liberalization of trade and free competition;
- Simultaneously, external factors can exert negative influence. A destabilized political and economic situation in Ukraine, with which Moldova has close trade ties could lead to a exports decline to this destination.

The following factors could have a positive impact on the economy:

- **Intense promotion of exports.** Although export growth often depends on the context of foreign policy (an example is the Russian ban on imports of Moldovan wine in the autumn of the previous year) it is projected an increase of 10.7% in the volume of export of goods, based on an industrial production growth by 6.5% and improvement of the quality and competitiveness of

local products. The trend of goods exports faster growth compared to growth rates of production will be maintained as a whole.

- **Business development and support, continued structural reforms.** Simplification of business startup, access to credit facilitation, barriers to trade elimination, etc is required in this area. To this end the Government has developed a number of strategies and laws that would enable the national economy increase the competitiveness of local enterprises on the European market. These include the Development Strategy of Small and Medium Enterprises, Energy Strategy 2030 and other.

- **Development of the real sector of the national economy.** This objective will be achieved, including by attracting foreign direct investment in the national economy that provides for the implementation of actions aimed at creating a favorable business environment for foreign investors. Attracting foreign investment remains a priority for the national economic development. One of the main prerequisites for attracting foreign direct investment will be Moldova's accession to the visa-free regime and recent signing of the Association Agreement with the European Union.

In the context of the development of the real sector of the national economy could be achieved a relatively high level of agricultural production, but it is estimated to be approximately 5% below the previous year level for the following reasons: 2013 was a year of exceptionally favorable weather conditions for agriculture, and from the experience of previous years a prosperous year is usually followed by a less successful one, or even a disastrous year. At the moment, it is too early to make any accurate forecasts regarding agriculture.

The forecast of key indicators of the national economic development is presented in the table below.

**Table 7.1. Evolution of the main macroeconomic indicators for 2011-2013  
(based on the macro-econometric model of the NIER)**

	Unit of measurement	2012	2013	2014
		Actual		Forecast
<i>A</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>
Nominal GDP	bln. lei	88.2	99.9	107.7
Compared to previous year in comparable prices	%	99.3	108.9	103.7
Consumer Price Index	%	104.6	104.6	105.5
Average exchange rate of Leu	MDL/USD	12.11	12.59	13.18
Export of goods	mil. USD	2162	2399	2656
Compared to the previous year	%	97.5	111	110.7
Import of goods	mil. USD	5213	5492.7	5758
<b>Compared to previous year</b>	%	100.4	105.4	104.8
Trade balance	mil. USD	-3051	-3093.7	-3102
Industrial production in current prices	bln. lei	36.0	38	41
<b>Compared to previous year in comparable prices</b>	%	98.1	106.8	106.5
Agricultural production in current prices	bln. lei	20	24.5	24.7
<b>Compared to previous year in comparable prices</b>	%	77.6	138.3	95
Investments in long term tangible assets	bln. lei	16.6	18.5	20.7
<b>Compared to previous year in comparable prices</b>	%	95.8	102.3	105.2
Nominal average monthly salary	lei	3386.2	3765.1	4152

Table 7.1 – continuation

<i>A</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>
<b>Compared to previous year</b>				
<b>nominal</b>	%	111.3	108.3	110.3
<b>real</b>	%	106.4	103.5	104.6
Labor remuneration fund	bln. lei	39.7	44.6	46.6
Economically active population	thous. pers.	1215	1236	1224
Employed population	thous. pers.	1147	1173	1166
Unemployment rate	thous. pers.	5.6	5.1	5.1

## DEMOGRAPHIC CHALLENGES AND NEEDED POLICIES

**GAGAUZ Olga, PhD and Doctor Habilitat in sociology,  
Head of the Demographic Research Centre INCE ASM**

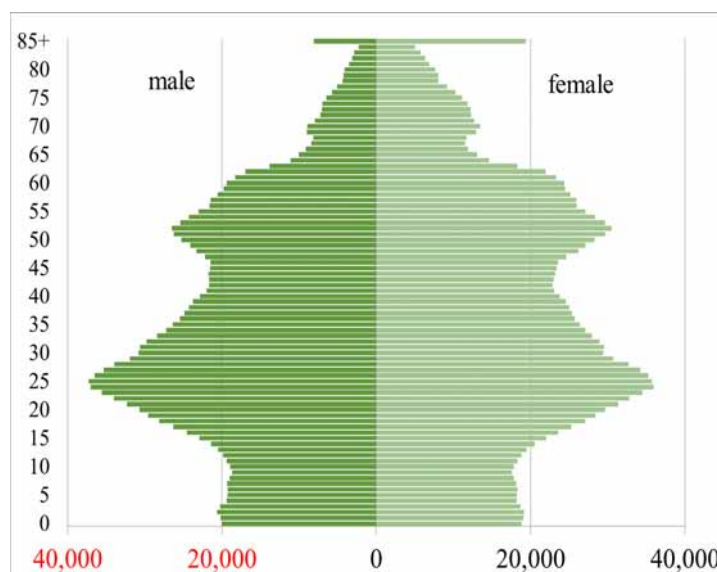
Demographic policy is a part of state social policy and includes a number of legal, economic, organizational measures which are interrelated and which aim at changing the demographic behavior of the population. At the same time population reproduction is determined by the socio-economic situation of the country, economic and social policy of the state. The nature of the relationship *economy – population* is quite complex characterized by a close existential connection. The concept "*population and development*", which came into scientific and sociopolitical circulation recently, emphasizes the primary role of population for the existence of society itself, whose economic role is reflected by the fact that it is a primary factor of production supporting and represents the recipient and consumer of the results of any economic activity. On the other hand, satisfying human needs, and thus those of the population, is the general ultimate purpose of socio-economic activities, while the production and distribution of goods is only a practical way to ensure what is needed to achieve the stated purpose. The overall population on the one hand and the active and employed population on the other hand, are the bases of the relationship between the ultimate goal of production and the means used to achieve it. Thus, for the socio-economic development, population is an important endogenous (internal) factor, which in turn is determined by the socio-economic processes. The double identity of the population in the system of relations *economy – population*, constitutes a strong argument in favor of demographic factor appreciation as an endogenous variable for growth and economic development, all policies of European states being combined with demographic changes.

Currently, the need to promote demographic policies is recognized in all countries of the world, regardless of the demographic situation and population growth rates. The most important population policies were determined for the upcoming decades during the regional conference organized by the United Nations Population Fund (UNFPA) and the UNECE between the 1st – 2nd July 2013 (Geneva, Switzerland) on the continuity of the Programme of Action of the International Conference on Population and Development (ICPD, Cairo, 1994) based on the overall assessment of demographic trends in long term and on priority policies in all 56 states of the UNECE area, including Moldova. One of the most important conclusions of the conference, confirmed by the results of scientific research, was the recognition that *a society can achieve socio-economic prosperity under low population growth rates, or even in its absence*<sup>1</sup>. Population size doesn't matter, its qualitative characteristics matter. The continuous increase of life expectancy and the proportion of elderly people in the overall population size emphasize the need to put at use their human potential, especially those who possess a high degree of education and professional experience can essentially contribute to the development of society if such opportunities could be provided.

Despite common demographic trends in European countries, there is also a national peculiarity of the Republic of Moldova which determines the need to develop and implement policies that would combine with regional principles and priorities (investment in human capital, continuous gender equality promotion, continuous qualitative education during the lifetime and access to healthcare, reproductive and sexual health) and would focus on sectors that affect the qualitative and quantitative development of the population, constitutes an impediment for the socio-economic development of the country.

<sup>1</sup> UNECE. Regional Report: ICPD Beyond 2014, p.55.

<http://www.Unece.Org/Population/Paupubwelcome/Ageing/2013/Regionalnyi-Doklad-Eehk-Oon-Mknr-Posle-2014-Goda/Docs.html>



**Figure 1. Age-sex pyramid for Moldova, stable population, 2013**

*Source:* NBS.

Currently, the demographic situation in Moldova is determined by the dynamics of demographic processes (birth rate, death rate, migration) and by the structure of the population, it is characterized by negative changes in the general population reproduction, being officially recognized as a demographic decline<sup>1</sup> which is a hidden sign of latent demographic crisis.

Age and sex pyramid of Moldova was influenced by the increase of mortality rates and birth rates, and the impact of social and economic disasters of the twentieth century. It is still marked by the notable decrease in the number of births in the years 1942-1945 and the "echo" of this reduction after 20 years, enhanced by the decline of fertility rates in the 1960s. Then the observed decrease in the number of births in the late 1980s ("the second echo" of the war), and the increasing number of births in the mid-1980s as a result of family policies promoted during this period. The pyramid of 2013 shows the reduction of births after 1990 and their growth after 2002.

For the present and upcoming decades, the age structure of population is formed and its significant changes are impossible. Migration outflow increases population aging of age structure with a considerable impact on changing the ratio of the three major age groups: children, adults and elderly. Thus, there are some objective prerequisites for negative trends in the dynamics of natural increase, which can be stopped only by radical positive changes in fertility and mortality regimes.

Age and sex pyramid allows us to predict, under constant reproduction rates of the population, when will happen the next narrowing of pyramid bases and thickening of its top. It should be noted that the process has started: during the next decade – the reduction of the absolute number of births is inevitable since the most reproductive age will be reached by less numerous generations born after the 90's, while the retirement age will be reached by numerous generations born in the late 50's - early 60's, which will determine a negative natural increase.

Not only depopulation, but also fluctuations of generations sizes (*demographic waves*) in the age structure of population have negative consequences for country's socioeconomic development. Among obvious consequences: fluctuations in demand for the education and healthcare institutions due to constant decrease of children (Table 1), which raises the need to take measures that would ensure the efficiency of investments in these sectors.

<sup>1</sup> Strategic National Program for Demographic Security of Moldova (2011-2025). Government Decree No.768 as of 12.10.2011. Official Gazette No. 182-186 as of 28.10.2011.

**Table 1. Dynamics of population by age group 0-15 years, 2014-2025**

Year	Population size by age group 0-15 years (thousands)	Decrease compared with the previous year		% compared with overall population
		(thousands)	(%)	
2014	607.7			17.1
2015	605.6	-2.1	0.3	17.1
2016	603.8	-1.8	0.3	17.0
2017	602.0	-1.9	0.3	17.0
2018	599.9	-2.1	0.3	17.0
2019	596.8	-3.1	0.5	16.9
2020	591.3	-5.5	0.9	16.8
2021	584.7	-6.6	1.1	16.7
2022	576.7	-7.9	1.4	16.6
2023	568.0	-8.7	1.5	16.4
2024	557.8	-10.1	1.8	16.2
2025	544.7	-13.1	2.4	15.9

**Source:** Center for Demographic Research INCE population forecast.

Less visible are the fluctuations of supply on labor market and the ratio of employed and unemployed population (demographic burden). It should be noted that the population decline did not have yet a significant negative and visible economic effects. Conversely, the reduction of the number of population decreases the pressure on education, health, social security and social protection systems. In addition, during the latest decades the structure of population, besides demographic aging experienced some important positive changes for economic growth (*demographic dividend*). Thus, the absolute number of the working age population has been steadily growing, increasing during 2000-2013 by about 244 000, while the share of the overall population peaked – around 66%. In addition, labor rejuvenated because the labor market was entered by numerous generations born in the 80's with a relatively high level of education, advanced knowledge, constituting a valuable potential for the economy. But this demographic dividend has not been fully exploited. Reduced employment opportunities for national economy according to personal preferences, and lack of opportunities to obtain adequate income push young people to emigrate. Thus, 76.5% of labor migrants indicated that the main reason for going abroad is *low wages in Moldova*. Among other reasons are: *lack of jobs for the skills / qualifications (8.8%) and poor working conditions (6.0%)*<sup>1</sup>.

*Demographic dividend* is an opportunity for accelerated economic growth due to fertility and mortality decrease and subsequently due to changes of population age structure.

Reducing the number of births during a year in a young country the size of dependent population grows slower relative to the size of working age population. With fewer people in need of support, a country has an opportunity for rapid growth due to the benefits of demographic decline (it is considered that the working age population produces more than it consumes, and the difference is divided between dependents – children and the elderly). Given equal conditions in terms of employment, unemployment, labor productivity and so on, such situations lead to increase of gross domestic product per capita, thus creating a '*demographic dividend*'. The benefits don't occur automatically, they arise when appropriate economic and social policies are implemented, such as investment in the manufacturing sector, increasing employment, development of social infrastructure, additional investment in health, education, etc.

<sup>1</sup> Extended Migration Profile in Moldova, 2007-2012.

<http://demografie.md/?pag=news&opa=view&id=384&tip=noutate&start=&l=>

In Moldova the "window of opportunities" is not yet exhausted, but this stage is very close. Currently, the phase of depopulation with demographic dividend is closing to an end when the reduction in population is accompanied by increasing quota of working age. In the near future, another stage will start – depopulation without demographic dividend: population of working age will decrease continuously.

The dominant factor for the changes of working age population represents the ratio of positive impact from "cohort effect" and the negative impact of excessive mortality, especially of male population. The role of migration in this process is limited to emphasize the influence of these two components.

Although during next decade labor potential will be maintained at a fairly high level (Table 2), annual reduction being within one percent, a significant part of this contingent works abroad, having unskilled jobs that don't correspond with the education leading not only to a reduction of labor quality, but also causing adverse qualitative changes.

**Table 2. Dynamics of population at working age, 2014-2025**

Year	Number of people at working age (16-56/61, thousands)	Decrease compared with previous year		% in overall population
		(thousands)	(%)	
2014	2333.4			65.7
2015	2315.6	-17.8	0.8	65.2
2016	2293.6	-22.0	0.9	64.7
2017	2271.8	-21.9	1.0	64.2
2018	2250.7	-21.1	0.9	63.8
2019	2229.1	-21.6	1.0	63.3
2020	2210.3	-18.8	0.8	63.0
2021	2190.9	-19.4	0.9	62.7
2022	2174.3	-16.6	0.8	62.5
2023	2158.1	-16.2	0.7	62.3
2024	2144.3	-13.8	0.6	62.2
2025	2133.5	-10.7	0.5	62.3

**Source:** Center for Demographic Research INCE population forecast

Changing the ratio between the contingent which will enter labor market and which will exit it will have significant consequences in terms of labor supply, labor productivity and labor demand.

However, labor market changes are not necessarily determined by demographic effects. The negative dynamics of jobs continues to influence adversely labor productivity, economic growth and welfare because wages have the largest share in population income. The functioning of labor market in Moldova is affected by such phenomena as high proportion of low productivity jobs and low wage levels; high long term unemployment levels and high unemployment rates among youth; big share of informal activities in a number of sectors and branches of production; lack of adequate monitoring and forecasting systems for labor market; etc.

It is known that during the coming decades, demographic aging of population will be growing rapidly. In numerous papers and reports, there is a concern about the aging of population and the increase of economic burden on the active population, thus on the forefront are considered the adverse effects of this process. This unilateral treatment of population aging places on secondary level one of the most important achievements of social progress - increasing life expectancy, which opens new horizons and possibilities for human potential. Although during recent years there has been a positive development in the dynamics of life expectancy at birth,

compared with other European countries Moldova is in the group of states with comparatively low levels: 67 years for men and 75 for women (in 2012), while the European average is 72 years for men and 80 years for women.

Currently Moldovan citizens have on average a shorter life expectancy as well as a shorter duration of economic activity, the retirement age is also shorter compared with other countries. In the next decade the number of people at retirement age will be influenced by cohort effects. Given that numerous generations born in the late 50's – early 60's will reach the retirement age, there will be an impressive increase of their ratio in the overall population, especially in the next three years, the annual growth rate being of 2.5-2.9% (Table 3).

**Table 3. Dynamics of population at retirement age, 2014-2025**

Year	Number of people at retirement age (57+/62+), thousands)	Increase compared with previous year		% in overall population
		(thousands)	(%)	
2014	611.8			17.2
2015	627.7	15.9	2.5	17.7
2016	646.2	18.5	2.9	18.2
2017	663.3	17.1	2.6	18.8
2018	678.2	14.9	2.2	19.2
2019	693.0	14.7	2.1	19.7
2020	705.7	12.7	1.8	20.1
2021	718.4	12.8	1.8	20.6
2022	728.1	9.7	1.3	20.9
2023	736.5	8.4	1.1	21.3
2024	742.5	6.0	0.8	21.6
2025	747.0	4.5	0.6	21.8

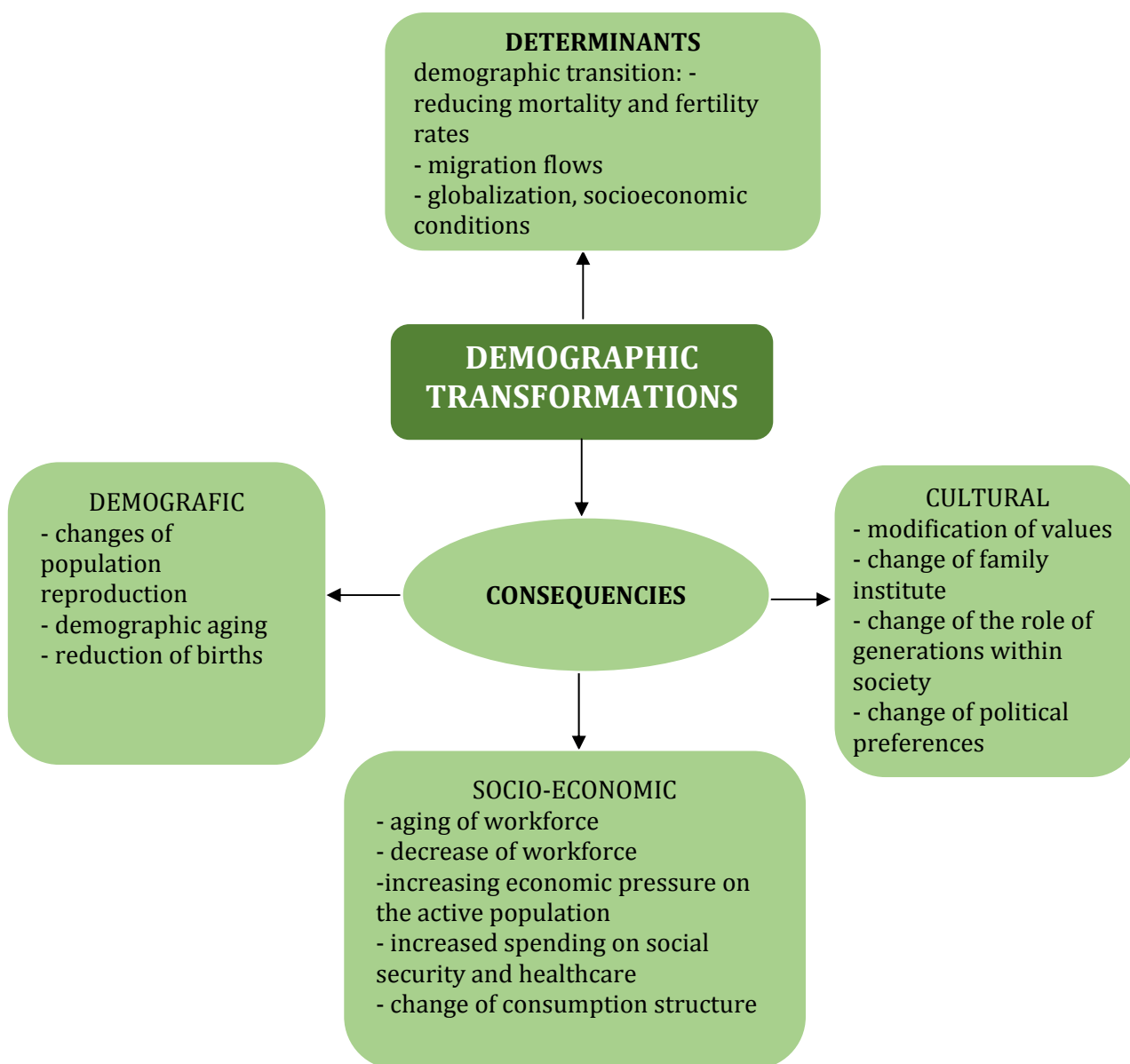
**Source:** Center for Demographic Research INCE population forecast.

At the same time, the contingent of pensioners increases with people withdrawing from the labor market on grounds of disability, which significantly increases the number of pensioners. It is worth noting that during the last decades, more than 20% of the total number of pensioners represented people with disabilities. The dynamics of this contingent is quite stable, moreover, it is recorded an increase of disability pensions<sup>1</sup>.

Demographic changes that have occurred and the expected ones show the result of global macro-social changes, including the demographic transition – the transition from high levels of mortality and fertility to their low levels, with many consequences in terms of demographic development, socio-economic and cultural development of society (fig. 2). These effects, as a rule, last in long term gaining big shares or reducing to some stages of demographic development depending on age structure. Note that often the consequences of structural changes of population age are treated superficially resuming only to aging related problems. However, they have a much wider range and include all age groups affecting many social processes. Changes of population age structure involve changes of the overall structure of social needs.

Inevitable changes of population age structure increase the urgency of broad reforms today to help the country avoid potential problems of tomorrow. Reviewing economic policies and determining strategic actions in key areas will help reduce the impact caused by current demographic changes and will strengthen social integration, creation of favorable conditions for young people and for elderly.

<sup>1</sup> Annual Social Report, 2012. / Ministry of Labour, Social Protection and Family.  
[http://www.mmprsf.gov.md/file/2014/RAPOARTE/MMPSF\\_RS\\_2012.pdf](http://www.mmprsf.gov.md/file/2014/RAPOARTE/MMPSF_RS_2012.pdf)



**Figure 2. Demographic transformations: determinants and their consequences**

Changing population age structure affects the basic conditions of labor market functioning, causing its structural changes. The increase in the near future of the number of people in age group 50-64 raises the issue of active aging. This age segment implies aspects of employment policies and pension system reform, creation of opportunities for economic activity continuation, thus contributing to dependency reduction. The number of older people in the group of working population will increase both because of demographic trends and since it is unlikely that in the long run will be possible to continue applying early retirement. The need to keep on the labor market an increased number of older workers requires a new approach to all issues regarding the ratio between age and the labor market (continuous education, retraining, creation of special jobs with flexible working hours etc.). Learning and changing qualifications during lifetime will become more important with the increase of average life expectancy and economic growth in the coming decades.

Demographic changes will put pressure on education system in two ways. On the one hand, reducing the number of students will cause decreased demand on the labor market for teachers, which will save budget resources. On the other hand, to enhance the ability of economic activity

for older people will require the development of continuous education (during the active period of lifetime) and of new forms of education currently missing in the Republic of Moldova.

High quality for basic education is the foundation for employees to support the new qualifications under dynamic conditions of contemporary society and under fast development of information technologies.

Strengthening the education system (infrastructure and staff) is needed to meet considerable changes in the structure of "pupils" by expanding educational programs, promoting and encouraging lifelong learning to meet educational enrollment fluctuations at certain levels. Encourage employers to provide training / retraining to its employees and to other people, promote mutually beneficial relationships between educational institutions and employers, private sector development of education (professional training, retraining).

As it has been mentioned, currently the Republic of Moldova has a relatively young population of working age having a significant potential for economic growth. It is important that actions in this area should not be focused on measures that will be necessary when there will be labor shortage, it is rather necessary to focus the efforts on creating jobs for economically active generations: both for young people entering labor market and for older people who wish to extend their economic activity. The effects of aging can be counteracted by increasing the employment rate.

Increased labor productivity is the second essential factor to maintain and improve contribution of labor force to development. Changes in the labor market are not necessarily determined by demographic effects. The situation within economically developed countries with much higher aging levels compared with Moldova indicates that in the last years, labor productivity was the only major factor that influenced the growth of income per capita<sup>1</sup>. Labor productivity growth could minimize the quantitative effects of lowering labor force. Innovations and technological changes are an indispensable part in achieving this goal.

Developing labor market and boosting employment within the formal sector of economy will increase tax revenues and opportunities to expand social programs for the elderly. In addition, labor market adjustment to aging includes such measures as prevention of early retirement, elimination of labor market discrimination for the elderly, increasing professional competitiveness for elderly and creating favorable conditions for decent work (lighting, working hours, etc.).

Population growth of retirement age causes problems to ensure the stability of retirement funds and growing expenses for their creation. For Moldova the problem is complicating since most people of retirement age benefit of pensions, while the population of working age does not fully participate in completing social funds. The causes are multiple: unemployment, intensity of non-regulated migration processes for work abroad, considerable proportions of shadow economy etc. which as overall, reduce the possibilities of Social Security Budget.

For economic reasons, simply because of inevitable budget constraints, increasing the retirement age will probably be inevitable. But in terms of demographic preconditions, Republic of Moldova does not possess yet necessary conditions to achieve that reform. The experience of many countries shows that aging takes place in parallel with its rejuvenation meaning that it moves the boundaries of old age. People not only live longer but also reach older age, maintaining good health, thus there are objective reasons for extension of their economic activity. In Moldova, the situation is different; population health is characterized by high levels of

<sup>1</sup> From red to grey: "A third transition" of aging population from Eastern Europe and former USSR. [http://www.unfpa.md/images/stories/pdf/De\\_la\\_rosu\\_la\\_gri.pdf](http://www.unfpa.md/images/stories/pdf/De_la_rosu_la_gri.pdf)

morbidity and disability. Under these conditions, increasing the retirement age may be accompanied by multiple economic and social consequences. Currently, this segment of the labor market (employees under retirement age) is self-regulated. The ones who are able to work, want and get a job – are working, all the rest – are not. Neither the government nor the employers have any obligations for them, inefficient workers, including for health reasons, are naturally eliminated from the labor market. In subsequent years, the supply of labor will be reduced with the entry on labor market of less numerous generations born after 1990 and under these circumstances, maintaining the economic activity of retired people will be very actual. However, extensive inclusion in economic activity of the elderly who often have health problems, may be an obstacle to economic development, causing increased unemployment of the same elderly who cannot find jobs in line with their working potential, which in turn will increase the state's social obligations towards this segment of the population, etc.

In addition, we have to mention that for about ten years, Moldova will have many residents in retirement age without entitlement to social security since they did not contribute to the social fund (migrant workers and other social uninsured employees). These people will have to be supported by social measures and the current system of pensions and social assistance should be extended to guarantee to the people the right to social protection from the state.

The modernization of the pension system is an issue that needs a swift resolution aimed at gradual increase of the retirement age, its equalization between men and women, and introduction of a defined contribution format by developing a multi-pillar scheme, which, besides the public PAYG type of pensions, will foresee pension funds under mandatory and voluntary contributions. Reforming the pension system will not automatically solve the problem of income security for the elderly since the current pension system (PAYG) and the cumulative (multi-pylon) one are not perfect, their stability being determined by several factors<sup>1</sup>. With the economic instability, low income of population, high poverty rates both systems generate inequality: PAYG pension system whose effectiveness depends on the demographic factor (the percentage of working age population), enhances the development of inequality between generations, and the cumulative system – within the group of retirees (under current circumstances an insignificant proportion of the population has income to contribute to retirement funds). Besides this, the introduction of a cumulative pension system may be an additional factor in reducing birth rates since the birth of a child in the family decreases the accumulation, respectively the amount of possible contributions. If the hypothesis "it's better to make savings, than to have children" launched by the French economist of the nineteenth century Jean-Baptiste Say will confirm, then aging process will accelerate.

It is to note that working towards the objectives related to ensuring healthy and active life of the elderly, whose number is steadily growing, offering opportunities to get decent jobs, due to the need or desire to remain economically active as well as to guarantee access to appropriate healthcare and social assistance, will be a difficult task to achieve. If in the developed countries the current elderly generations and the forthcoming ones, due to economic stability and high living standards had the opportunity to accumulate material resources and can afford for example social services, home care etc., then in Moldova, since current elderly people and the forthcoming ones are those who were unemployed or who worked in the agricultural sector earning extremely low wages, respectively, contributed with reduced allocations to social fund or worked abroad and did not contribute to social funds. If economic growth will not be achieved and its paces of growth will not increase then solving aging problems will require increasing the burden on the working age population (raising taxes or other contributions).

The current system of socio-economic institutions was created under the conditions of young people and does not meet the needs of society that is rapidly aging. Thus, institutional reform is

<sup>1</sup> Towards a sustainable pension system in the Republic of Moldova / V. Antonov, V. Frunzaru, O. Poalelungi. Chisinau, 2012, p.14.

an objective need and ignoring it or delaying the reforms will increase its costs. However, while promoting demographic and socio-economic policies, should be considered the existing cross-sector problems and the ones that may occur in the process of changing age structure of the population. Solutions identification in this area means to implement consecutive reforms related labor market, pension system, education, health and a better control of migration processes. The activity or inactivity in one of the listed areas will have a boomerang effect on other areas (pension reform will not be effective without the positive dynamics in health, labor market development, etc.).

*STATISTICAL ANNEX*



Uses of GDP									
	GDP		Final consumption	Gross capital formation fix		Stock variation		Net export	
	mil.lei, current prices	%, previous year	mil.lei, current prices	mil.lei, current prices	%, previous year	mil.lei, current prices	%, previous year	mil.lei, current prices	%, previous year
2009	60429.8	94	68574	13655	69.1	329.7	9.5	-22128.8	67.6
2010	71885.5	107.1	83240.3	16262.6	117.2	648.1	157.9	-28265.5	114.8
2011	82348.7	106.8	96090.5	19178.8	113.0	725.2	x	-33645.8	x
2012	88227.8	99.3	103062.6	20864.1	101.8	-3.2	x	-35695.7	x
2013	99879.1	108.9	113303.2	22566.8	103.3	1737.6	x	-37728.4	x
Quarter I 2011	16784.3	108.4	21476.2	2078.1	124.9	497.3	177.8	-7267.3	120.4
Quarter II 2011	19843.3	106.8	23967.4	4736.9	127.1	-398.8	-59.1	-8462.2	105.8
Quarter III 2011	23869	105.3	27872.4	3753.8	94.8	677.8	86.4	-8435	106.7
Quarter IV 2011	21677.5	105.7	22595	8461.7	107.7	318.1	-31.4	-58026.1	109.5
Quarter I 2012	18095.8	101	23464.8	2439	101	272.2	105.3	-8080.2	x
Quarter II 2012	21199.4	100.6	24687.8	5001	99.1	74.3	x	-8563.7	x
Quarter III 2012	26106.8	98.3	30085.8	4538.7	100.8	504	x	-9021.6	x
Quarter IV 2012	22445.3	97.5	27514.7	5493.2	100.5	-196.4	x	-10366.1	x
Quarter I 2013	19672.7	103.5	23400.8	4219.7	106.6	-85.3	x	-7862.5	x
Quarter II 2013	23703.3	106.1	27408.2	5576.7	103.0	627.7	x	-9909.3	x
Quarter III 2013	29936.4	112.9	32009.0	6667.3	101.2	716.9	x	-9456.7	x
Quarter IV 2013	26566.7	111.2	30485.2	6103.1	103.6	478.2	x	-10499.9	x

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

Sources of GDP														
PIB (resources)	GDP		GVA		Agriculture		Industry		Construction		Other activities		Net taxes on products	
	mil.lei, current prices	%, previous year	mil.lei, current prices	%, GDP	mil.lei, current prices	%, previous year	mil.lei, current prices	mil.lei, current prices	%, previous year	mil.lei, current prices	%, GDP	mil.lei, current prices	%, previous year	mil.lei, current prices
2009	60429.8	94.0	50809.2	84.1	5134.5	90.1	8030.8	80.1	2108.7	73.2	35535.2	99.5	9620.6	95.8
2010	71885.5	107.1	59920.7	83.4	8657.4	107.4	9534.8	108.9	2437.5	112.7	39291	105.1	11964.8	111.7
2011	82348.7	106.8	68390.0	106.3	10095.0	105.2	11518	110.2	2720.0	101.9	45831	101.3	13959	109.6
2012	88227.8	99.3	73686.0	99.0	9896.0	79.9	12314	100.8	3041.0	101.8	50178	103.2	14542	100.8
2013	99879.1	108.9	83078.1	109.4	12167.0	141.0	13825	107.4	3434.1	105.1	55400	103.9	16801	106.0
Quarter I 2011	16784.3	108.4	13916.5	82.9	684	106.4	2493.6	108.8	399.5	104	10339.3	106.2	2867.8	117.9
Quarter II 2011	19843.3	106.8	16694.3	84.1	2108.9	102.1	2492.2	109.8	987.3	124.9	11105.9	106.1	3149	105.2
Quarter III 2011	23869	105.3	20189.8	84.6	3873.2	102.4	3218.7	111.9	962.4	94.6	12135.5	105.3	3679.2	105.2
Quarter IV 2011	21677.5	105.7	17424.4	80.4	3404.8	108.9	3091.4	98.5	451.8	93.2	10476.4	86.5	4253	114.6
Quarter I 2012	18095.8	101	15268	84.4	821	101.6	2771	97.9	395.0	109.8	11698.0	102.4	2828	98.4
Quarter II 2012	21199.4	100.6	17821.6	84.1	1929.6	92.5	2914.5	104.3	1105.0	100.9	12277.7	101.2	3377.8	101.3
Quarter III 2012	26106.8	98.3	22026.6	84.4	3923.3	69.2	3389.6	102.3	1059.2	100.0	14092.5	104.4	4080.2	103.4
Quarter IV 2012	22445.3	97.5	18203.5	81.1	2911.3	70.8	3232.9	96.5	482.1	101.8	12109.6	104.6	4241.8	101.4
Quarter I 2013	19672.7	103.5	16201	102.9	824.8	102.3	2960	102.2	522.5	110.5	12283.7	102.5	3471.8	106.6
Quarter II 2013	23703.3	106.1	19649	105.9	2064.3	103.8	2961.7	113.4	1182.5	100.8	13388.1	104.6	4054.4	106.7
Quarter III 2013	29936.4	112.9	25436.1	114.2	5847.4	159.8	3836	107.5	1128.7	102.2	15117.7	104.3	4500.3	105.6
Quarter IV 2013	26566.7	111.2	21792.1	112.5	3430.7	152.2	3633.8	107.4	600.4	116.0	14610.8	104.5	4774.6	105.2

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)
2009	0	-5.6	-0.3	8.2
2010	7.4	5.7	7.3	9.1
2011	7.6	8.4	5.8	8.8
2012	4.6	3.8	4.2	6.2
2013	4.6	6.6	4.3	2.6
Quarter I 2011	6.1	5.4	5.6	7.4
Quarter II 2011	7.1	7.8	5.1	8.6
Quarter III 2011	8.8	12.1	6.2	7.8
Quarter IV 2011	8.5	8.6	6.1	11.5
Quarter I 2012	6.2	4.7	5	9.2
Quarter II 2012	4.2	1.9	4.5	6.3
Quarter III 2012	4.4	3.6	3.7	6.4
Quarter IV 2012	3.9	4.9	3.6	3.1
Quarter I 2013	4.4	5.9	4	3.1
Quarter II 2013	5.2	5.7	4.1	2.6
Quarter III 2013	4.0	5.0	4.5	2.1
Quarter IV 2013	4.9	7.1	4.5	2.6

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

Consumer prices				
	Growth rate of CPI, % (compared to the same period of previous year)	Growth rate of CPI, % (compared to the same period of previous year)	Growth rate of CPI, % (compared to the same period of previous year)	Growth rate of CPI, % (compared to the same period of previous year)
January 2012	6.9	5	5	11.8
February 2012	6.1	5	4.9	8.9
March 2012	5.4	4.1	5.3	7.1
April 2012	4.7	2.9	4.9	6.3
May 2012	4.1	2	4.5	6.1
June 2012	3.7	0.9	4.1	6.4
July 2012	4	2.1	3.8	6.4
August 2012	4.4	3.5	3.7	6.4
September 2012	4.9	5.1	3.5	6.3
October 2012	3.9	4.8	3.6	3.3
November 2012	3.7	4.5	3.6	2.9
December 2012	4.1	5.4	3.6	3
January 2013	4.7	6.8	4	3.1
February 2013	4.4	5.5	4.2	3.1
March 2013	4.2	5.5	3.8	3.2
April 2013	4.5	6.1	3.7	3.4
May 2013	5.7	10.0	4.0	2.4
June 2013	5.5	9.2	4.5	2.0
July 2013	4.3	5.9	4.6	2.0
August 2013	3.7	4.2	4.5	2.1
September 2013	3.9	5.0	4.3	2.1
October 2013	4.7	6.9	4.4	2.1
November 2013	4.9	6.8	4.6	2.9
December 2013	5.2	7.6	4.6	2.9

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

Producers 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)
2009	-3	-4.5	-3.9	14
2010	7.9	0.7	6.2	16.1
2011	6.8	2.6	6.3	10.5
2012	5.7	3.8	5.1	9.2
2013	3.2	1.6	3.8	-0.4
Quarter I 2011	4.7	3.6	3.8	9.2
Quarter II 2011	6.3	3.6	5.7	10.1
Quarter III 2011	7.9	3.4	7.6	9.6
Quarter IV 2011	8.4	0	7.8	13.1
Quarter I 2012	7.1	-0.5	6.4	11.8
Quarter II 2012	5.8	1.3	5.3	9
Quarter III 2012	5	5.1	4.1	9.9
Quarter IV 2012	4.8	9.5	4.4	6.5
Quarter I 2013	2.6	4.7	2.6	2.0
Quarter II 2013	3.2	1.7	3.6	0.7
Quarter III 2013	3.4	1.2	4.1	-1.6
Quarter IV 2013	3.7	-0.2	4.6	-2.4

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

Producers 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 2012	10.4	-1.6	9.8	14.8
February 2012	6.6	1.1	6	10.4
March 2012	6.5	-1.1	5.9	10.4
April 2012	5.8	-1.1	5.7	7.3
May 2012	5.7	-0.1	5	9.9
June 2012	6.0	5.2	5.3	9.9
July 2012	5.0	4.3	4.1	9.9
August 2012	4.8	5.4	3.9	9.9
September 2012	5.3	5.7	4.4	9.9
October 2012	5	10	4.1	9.7
November 2012	5	7.8	4.9	4.9
December 2012	4.5	10.6	4.3	4.9
January 2013	1.6	6.2	1.5	1.9
February 2013	2.8	3.5	2.9	2.0
March 2013	3.4	4.5	3.5	2.0
April 2013	3.7	2.4	3.9	2.0
May 2013	3.0	1.7	3.5	0.0
June 2013	2.9	1.1	3.4	0.0
July 2013	3.3	1.4	3.8	0.0
August 2013	3.4	1.1	4.2	-2.4
September 2013	3.4	1.1	4.2	-2.4
October 2013	4.1	0.6	5.1	-2.4
November 2013	3.0	1.1	3.8	-2.4
December 2013	4.0	-2.4	5	-2.4

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

Exchange rates						
	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)
2009	11.1	15.5	6.9	1.4	6.6	1.8
2010	12.4	16.4	11.3	5.8	5.3	0.2
2011	11.7	16.3	-5.1	-0.4	-9.1	-4.9
2012	12.1	15.6	3.2	-4.7	0.7	-6.6
2013	12.6	16.7	3.9	7.4	0.5	4.9
Quarter I 2011	12.1	16.5	-4.0	-5.3	-7.7	-8.6
Quarter II 2011	11.6	16.7	-8.3	3.5	-11.6	-0.7
Quarter III 2011	11.5	16.3	-6.7	2.5	-11	-3.3
Quarter IV 2011	11.8	15.9	-1.2	-1.9	-5.9	-7
Quarter I 2012	11.8	15.5	-1.8	-5.9	-4.7	-8.9
Quarter II 2012	11.9	15.3	2.5	-8.6	0.6	-10.0
Quarter III 2012	11.9	15.3	8.0	-4.6	5.4	-6.1
Quarter IV 2012	12.4	15.5	4.2	0.2	2.3	-1.2
Quarter I 2013	12.2	16.1	2.9	3.7	0.2	1.4
Quarter II 2013	12.4	16.4	3.9	5.7	0.2	2.2
Quarter III 2013	12.8	16.9	2.8	8.9	-0.6	7.6
Quarter IV 2013	13.0	17.7	6.1	11.3	2.1	8.5

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

	Exchange rates					
	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)
January 2012	11.8	15.2	-3.3	-6.7	-7	-10.4
February 2012	11.8	15.7	-1.1	-4.4	-4.1	-7.4
March 2012	11.9	15.6	-0.8	-6.5	-3.5	-9
April 2012	11.8	15.5	0.9	-8.1	-1.3	-9.7
May 2012	11.9	15.2	2.7	-8.7	0.1	-10.1
June 2012	12.1	15.1	4.4	-9.3	2.4	-10.2
July 2012	12.4	15.2	7.4	-7.8	4.7	-8.8
August 2012	12.5	15.5	9.9	-5.1	7.1	-6.6
September 2012	12.4	15.9	7	-0.7	4.2	-2.7
October 2012	12.3	15.9	3.9	-1.6	2.2	-2.8
November 2012	12.3	15.8	5.2	-0.6	3.3	-2
December 2012	12.2	16	3.4	2.8	1.1	1.2
January 2013	12.1	16.1	2.8	5.9	-0.2	3.2
February 2013	12.1	16.2	2.5	3.1	-0.4	1.0
March 2013	12.3	16	3.5	2.2	1.3	0.0
April 2013	12.3	16	4.6	3.3	1.3	0.5
May 2013	12.3	16	4.2	5.4	0.0	1.5
June 2013	12.4	16.4	3.0	8.4	-0.6	4.6
July 2013	12.6	16.5	2.6	8.7	0.3	7.5
August 2013	12.4	17.0	-1.0	9.7	-3.2	8.6
September 2013	12.9	17.2	3.7	8.0	1.0	6.5
October 2013	13.0	17.8	6.4	11.8	2.5	9.2
November 2013	13.0	17.5	5.1	10.6	1.1	7.8
December 2013	13.0	17.9	7.0	11.6	2.8	8.4

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

Public finances						
Period	PNB revenues, MDL million	Increase on PNB revenues, % (compared to the previous period)	PNB expenditures, MDL million	Increase on PNB expenditures, % (compared to the previous period)	Sources of financing public deficit, MDL million (end of period balance)	Tax burden, %
2009	23517.7	-8%	27354.3	5%	3836.6	32%
2010	27550.9	17%	29328.9	7%	1778	31%
2011	30150.5	9%	32117	10%	1958.5	31%
2012	33526.1	11%	35364	10%	1837.9	31%
2013	36908.5	10%	38673.1	9%	1764.6	37%
Quarter I 2011	6122	10%	6640.5	3%	518.5	
Quarter II 2011	7524.5	10%	8368.6	15%	1362.6	
Quarter III 2011	7598	13%	7643.3	11%	1407.9	
Quarter IV 2011	8906	6%	9464.6	9%	1407.9	
Quarter I 2012	6582.7	8%	7363.5	11%	780.8	
Quarter II 2012	8744.5	16%	8898.9	6%	935.2	
Quarter III 2012	8613.5	13%	8486	11%	807.7	
Quarter IV 2012	9585.4	8%	10615.6	12%	1837.9	
Quarter I 2013	7521.8	14%	7598.5	3%	76.7	
Quarter II 2013	9196.3	5%	9569.9	8%	578.1	
Quarter III 2013	9090.1	6%	9283	9%	642.5	
Quarter IV 2013	11099.6	16%	12221.7	15%	1764.6	

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

Period	Public finances				
	PNB revenues, MDL million	Increase on PNB revenues, % (compared to the previous period)	PNB expenditures, MDL million	Increase on PNB expenditures, % (compared to the previous period)	Sources of financing public deficit, MDL million (end of period balance)
January 2012	1990.9	8%	2087.6	11%	96.7
February 2012	1951.2	3%	2514.7	10%	660.2
March 2012	2640.6	11%	2761.2	12%	23.9
April 2012	2909.8	31%	2735.9	1%	606.9
May 2012	2845.6	15%	3104.4	16%	865.7
June 2012	2989.1	6%	3058.6	2%	935.2
July 2012	2950.3	28%	3078	8%	1062.9
August 2012	2656.8	14%	2813.5	21%	1219.6
September 2012	3006.4	1%	2594.5	5%	807.7
October 2012	3030.6	19%	3108.2	16%	885.2
November 2012	3053.8	21%	3126	16%	957.5
December 2012	3501	-9%	4381.4	7%	1837.9
January 2013	2179.2	9%	2199.4	5%	20.2
February 2013	2350.2	20%	2588.6	3%	258.6
March 2013	2992.4	13%	2810.5	2%	76.7
April 2013	3172.6	9%	3173.6	16%	77.7
May 2013	2715.6	-5%	3005.1	-3%	367.2
June 2013	3308.1	11%	3391.2	11%	450.3
July 2013	3177.6	8%	3305.4	7%	578.1
August 2013	2836.6	7%	2943.7	5%	685.2
September 2013	3075.9	2%	3033.9	17%	642.5
October 2013	3608.9	19%	3397.5	9%	431.8
November 2013	3290.6	8%	3310.5	6%	451.7
December 2013	4200.1	20%	5513.7	26%	1764.6
January 2014	2359.7	8%	2395.3	9%	35.6

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

Public Debt									
	Central Government Debt	Domestic debt by maturity	Long-term	Medium-term	Short-term	External debt by maturity	Long-term	Medium-term	Short-term
January 2012	19536.52	5898.49	0.00	597.74	5300.75	13638.03	13638.03	0.00	0.00
February 2012	19536.52	5898.49	0.00	597.74	5300.75	13638.03	13638.03	0.00	0.00
March 2012	19479.04	5929.32	0.00	544.82	5384.50	13549.71	13549.71	0.00	0.00
April 2012	19434.08	5947.73	0.00	545.87	5401.86	13486.34	13486.34	0.00	0.00
May 2012	19561.80	5973.64	0.00	546.04	5427.60	13588.16	13588.16	0.00	0.00
June 2012	19905.05	5926.15	0.00	523.46	5402.69	13978.90	13978.90	0.00	0.00
July 2012	20226.20	5941.60	0.00	538.70	5402.90	14284.60	14284.60	0.00	0.00
August 2012	20330.80	5982.40	0.00	534.80	5447.60	14348.40	14348.40	0.00	0.00
September 2012	20529.00	6049.80	0.00	528.00	5521.80	14479.20	14479.20	0.00	0.00
October 2012	20481.90	6075.80	0.00	530.60	5545.20	14406.10	14406.10	0.00	0.00
November 2012	20712.10	6135.60	0.00	545.50	5590.10	14576.50	14576.50	0.00	0.00
December 2012	21184.73	6158.93	0.00	323.86	5835.07	15025.79	11314.63	3002.16	709.00
January 2013	21290.60	6224.30	0.00	318.50	5905.80	15066.30	11539.70	2835.90	690.70
February 2013	21212.55	6275.04	0.00	316.18	5958.86	14937.51	11608.65	2636.85	692.01
March 2013	21163.71	6228.04	0.00	290.50	5937.54	14935.67	11640.37	2592.14	703.16
April 2013	21136.80	6269.56	0.00	286.12	5983.44	14867.24	11545.73	2673.76	647.76
May 2013	21493.72	6341.74	0.00	286.17	6055.58	15151.97	11818.57	2679.71	653.69
June 2013	21740.99	6390.89	0.00	260.89	6130.00	15350.10	11765.22	2909.98	674.89
July 2013	22110.10	6388.00	0.00	264.00	6124.10	15722.70	12419.80	2621.60	681.20
August 2013	22419.49	6464.24	0.00	265.53	6198.71	15955.24	12983.45	2332.50	639.30
September 2013	22822.66	6535.47	0.00	236.33	6299.14	16287.19	13220.65	2382.53	684.01
October 2013	22907.04	6596.28	0.00	231.81	6364.48	16310.76	13264.59	2412.12	634.04
November 2013	23307.39	6647.09	0.00	221.11	6425.99	16660.30	13554.74	2460.18	645.38
December 2013	23521.54	6675.79	0.00	198.43	6477.36	16845.75	13677.69	2514.26	653.80
January 2014	24200.80	6899.30	0.00	211.99	6687.31	17301.51	14053.56	2573.95	674.00

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

Banking sector indicators															
Period	Indicators				Deposits structure, %			Earnings and profitability, %		Liquidity Indicators, %		Deposit interest rates, %		Loans interest rates, %	
	Bank assets (stock at the end of period) million. MDL	Bank liabilities (stock at the end of period) million. MDL	Loans, (stock at the end of period) million. MDL	Bank Deposits (stock at the end of period) million. MDL )	Deposits of individuals, %	Corporate deposits, %	Currency deposits, %	Profitability indicators	Period	Bank assets (stock at the end of period) million. MDL	Bank liabilities (stock at the end of period) million. MDL	Loans, (stock at the end of period) million. MDL	Bank Deposits (stock at the end of period) million. MDL )	Deposits of individuals, %	Corporate deposits, %
2009	39915.0	33008.3	14246.5	23834.0	62.33	30.33	53.59	-0.39	-2.12	0.6	38.27	14.66	7.61	20.31	12.51
2010	42269.5	35010.8	23429.8	26942.4	63.28	33.96	48.45	0.47	2.61	0.67	34.18	7.56	3.42	16.25	9.91
2011	47707.8	39613.5	30963.0	30112.1	63.36	32.21	46.16	1.95	11.51	0.69	33.17	7.54	3.69	14.37	8.75
2012	58304.4	48058.4	35948.2	36272.3	64.1	31.9	43.8	1.1	5.6	0.7	32.9	7.59	4.3	13.34	8.28
2013	76183.9	64752.9	42632.7	45081.0	65.8	34.2	44.7	1.6	9.4	0.7	33.8	7.23	4.41	13.62	12.26
Quarter I 2011	43494.2	36039.5	27481.8	27950.8	65.43	32.54	47.98	1.73	10.07	0.7	33.2	7.88	3.38	14.6	9.09
Quarter II 2011	44837.3	37354.2	28833.4	29063.6	66.04	31.78	47.64	1.75	10.32	0.72	31.77	7.28	3.58	14.2	8.9
Quarter III 2011	46322.9	33483.1	30076.6	29794.2	64.51	32.96	46.91	1.96	11.53	0.68	31.67	6.87	3.94	14.11	8.86
Quarter IV 2011	47707.8	39613.5	30963.0	30112.1	63.36	32.21	46.16	1.95	11.51	0.69	33.17	8.45	3.83	13.96	7.67
Quarter I 2012	50878.8	40711.2	31952.8	30675.6	65.3	30.7	45.8	2.7	13.4	0.7	31.8	7.23	3.92	14.25	8.6
Quarter II 2012	53572.2	43421.0	32945.6	31962.1	63.4	31.3	45.7	2.3	11.6	0.7	32.3	7.59	3.79	13.69	7.92
Quarter III 2012	55791.1	45476.7	34736.0	27287.1	64	31.9	44.4	2	10.5	0.7	31.6	7.94	4.97	12.58	7.78
Quarter IV 2012	58168.4	48155.6	35948.2	36272.3	64.1	31.9	43.8	1.1	5.6	0.7	32.9	8.44	4.68	11.98	8.32
Quarter I 2013	59948.3	49275.5	36190.7	36812.1	67.2	32.8	43.6	1.9	10.9	0.7	33.1	8.06	4.4	12.77	8.03
Quarter II 2013	63516.1	52817.9	38435.9	38434.2	67.1	32.9	42.0	1.6	9.3	0.8	31.2	6.79	4.36	12.03	7.59
Quarter III 2013	69094.0	57949.1	39631.3	41238.0	67.6	32.4	43.1	1.8	10.5	0.7	32.3	6.62	4.36	11.79	7.07
Quarter IV 2013	76183.9	64752.9	42632.7	45081.0	66.8	33.2	46.1	1.0	6.9	0.7	34.4	5.91	4.60	12.29	7.83

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

Banking sector indicators															
Period	Indicators				Deposits structure, %			Earnings and profitability, %	Liquidity Indicators, %		Deposit interest rates, %		Loans interest rates, %		
	Bank assets (stock at the end of period) million. MDL	Bank liabilities (stock at the end of period) million. MDL	Loans, (stock at the end of period) million. MDL	Bank Deposits (stock at the end of period) million. MDL )	Deposits of individuals, %	Corporate deposits, %	Currency deposits, %	Profitability indicators	Period	Bank assets (stock at the end of period) million. MDL	Bank liabilities (stock at the end of period) million. MDL	Loans, (stock at the end of period) million. MDL	Bank Deposits (stock at the end of period) million. MDL )	Deposits of individuals, %	Corporate deposits, %
January 2012	49915.2	39953.8	31380.0	30245.9	63.3	32.3	46.3	3.1	16.8	0.7	31.5	7.06	4.03	14.71	8.36
February 2012	50710.7	40598.2	31999.3	30483.8	64.4	31.2	46	3.6	17.8	0.7	32.1	8.04	4.2	13.9	9.86
March 2012	50878.8	40711.2	31952.8	30342.8	65.3	30.7	45.4	2.9	14.6	0.7	31.8	7.32	4.2	14.05	9.36
April 2012	51338.5	41039.7	32265.5	30675.6	65.3	30.7	45.8	2.7	13.4	0.7	31.8	7.23	3.92	14.25	8.6
May 2012	51821.9	41540.0	32081.8	30921.5	64.4	31	44.6	2.6	13	0.7	32.3	7.5	3.92	13.98	8.09
June 2012	53572.2	43421.0	32945.6	31962.1	63.4	31.3	45.7	2.3	11.6	0.7	32.3	7.59	3.79	13.69	7.92
July 2012	54806.6	44542.4	33797.5	32991.7	63	32.7	45.9	2.3	11.8	0.7	32.3	7.4	4.19	13.38	7.74
August 2012	55152.6	44887.1	34335.5	33663.2	63.6	32.5	44.7	2.2	11.1	0.7	31.9	7.15	4.53	12.82	7.64
September 2012	55791.1	45476.7	34736.0	33985.7	64	31.9	44.4	2	10.5	0.7	31.6	7.94	4.97	12.58	7.78
October 2012	56099.4	45693.2	34858.2	34622.5	64.7	31.4	44.3	2	10.5	0.7	32	7.72	4.5	13.00	7.64
November 2012	56946.7	46387.8	35537.3	35243.0	67.7	32.3	43.6	1.9	10.1	0.7	31.6	7.96	4.62	12.68	7.73
December 2012	58168.4	48155.6	35948.2	36272.3	64.1	31.9	43.8	1.1	5.6	0.7	32.9	8.44	4.68	11.98	8.32
January 2013	59960.8	49620.3	35955.6	37328.4	66.7	33.3	44.4	1.8	10.5	0.7	34.8	8.55	4.79	12.41	7.52
February 2013	59270.1	49058.0	36077.0	36906.0	66.9	33.1	43.8	1.9	10.9	0.7	34.2	8.56	4.41	13.23	8.13
March 2013	59948.3	49275.5	36190.7	36812.1	67.2	32.8	43.6	1.9	10.9	0.7	33.1	8.06	4.4	12.77	8.03
April 2013	60798.2	50047.6	36529.4	37069.5	67.3	32.7	43.1	1.8	10.4	0.7	32	7.33	4.22	12.4	7.27
May 2013	61416.6	51713.6	37310.6	38050.5	66.4	33.6	42.8	1.8	10.5	0.7	32.2	7.75	4.22	12.21	7.62
June 2013	63516.1	52817.9	38435.9	38434.2	67.1	32.9	42.0	1.6	9.3	0.8	31.2	6.79	4.36	12.03	7.59
July 2013	66481.7	55643.4	39079.5	39198.1	67.6	32.4	40.3	1.7	9.9	0.8	30.2	7.16	4.29	12.05	7.37
August 2013	67673.8	56713.5	39263.0	40652.8	66.3	33.8	42.3	1.8	10.5	0.8	32.1	7.18	4.64	12.09	7.45
September 2013	69094.0	57949.1	39631.3	41238.0	67.6	32.4	43.1	1.8	10.5	0.7	32.3	6.62	4.36	11.79	7.07
October 2013	70177.5	58921.1	40229.3	42306.0	67.3	32.7	42.2	1.8	10.5	0.7	32.5	6.54	4.16	11.94	7.33
November 2013	72734.3	61381.1	41242.1	43769.9	67.0	33.0	43.2	1.8	10.5	0.7	32.0	6.35	4.29	12.10	7.74
December 2013	76183.9	64752.9	42630.7	45081.0	65.8	34.2	44.7	1.6	9.4	0.7	33.8	5.82	4.51	12.51	8.91
January 2014	77327.9	65795.0	42996.4	45399.2	66.8	33.2	46.1	1.0	6.9	0.7	34.4	5.91	4.60	12.29	7.83
February 2014	77824.4	66163.2	43416.5	45840.0	67.9	32.1	45.1	1.3	8.5	0.7	34.3	5.84	4.61	11.96	8.39

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

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

Monetary aggregates				
	Monetary aggregate M0, mil. MDL (stock at the end of period)	Monetary aggregate M1, mil. MDL (stock at the end of period)	Monetary aggregate M2, mil. MDL (stock at the end of period)	Monetary aggregate M3, mil. MDL (stock at the end of period)
2009	8849	13206.8	20942	32684.4
2010	10107.6	15720.2	24770.7	37051.2
2011	10864.5	17385.6	28265.4	40977.1
2012	13240.8	20607.3	34914.6	49513.2
2013	17550.5	21119.4	45177.1	62631.5
January 2012	10280.2	16169.4	27617.0	40526.7
February 2012	10476.6	16422.4	27900.1	40960.8
March 2012	10673.6	16613.3	28275.1	41016.6
April 2012	10960.7	16742.9	28601.4	41636.4
May 2012	10858.8	16903.8	28958.4	41780.4
June 2012	11243.9	17400.3	29541.1	43206.1
July 2012	11760.9	18263.2	30692.8	44752.8
August 2012	12417.4	19124.9	32196.0	46080.8
September 2012	12784.9	19616.7	32936.2	46770.7
October 2012	12537.4	19443.1	33024.0	47160.0
November 2012	12670.7	19531.3	33590.2	47913.9
December 2012	13240.8	20607.3	34914.6	49513.2
January 2013	12772.2	20180.2	35120.9	50100.8
February 2013	12902.8	20183.1	35189.5	49808.9
March 2013	12892.8	19878.5	34882.4	49705.1
April 2013	13293.0	20437.1	35740.5	50362.7
May 2013	13523.0	21302.8	36690.3	51573.6
June 2013	13997.7	21746.4	37417.5	52432.0
July 2013	14867.3	22653.2	38801.1	54065.5
August 2013	15626.0	23823.7	40454.4	56278.9
September 2013	16155.8	24488.3	41185.2	57393.9
October 2013	19899.0	25616.2	42843.9	59205.0
November 2013	16937.9	25721.9	43327.3	60707.8
December 2013	17550.5	21119.4	45177.1	62631.5

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

Monetary instruments							
	Base rate, %	CNB, mil, MDL (average daily stock)	Interest rate for overnight credits, %	Overnight credits, mil, MDL (average daily stock)	Interest rate for overnight deposits, %	Overnight deposits, mil, MDL (average daily stock)	Reserve rate for MDL resources, %
January 2012	9.5/8.5	3456.7	12.5/11.5	-	6.5/5.5	347.3	14
February 2012	8.5/6.5	3771	11.5/9.5	-	5.5/3.5	226.3	14
March 2012	6.5/4.5	3847.7	9.5/7.5	-	3.5/1.5	139.6	14
April 2012	4.5	3377.6	7.5	-	1.5	118.5	14
May 2012	4.5	3576.9	7.5	-	1.5	169.6	14
June 2012	4.5	3682.4	7.5	-	1.5	268.7	14
July 2012	4.5	3503.2	7.5	-	1.5	293.3	14
August 2012	4.5	3943.2	7.5	-	1.5	282.1	14
September 2012	4.5	4362.6	7.5	-	1.5	217.6	14
October 2012	4.5	3961.7	7.5	-	1.5	135.4	14
November 2012	4.5	3900.5	7.5	-	1.5	184.6	14
December 2012	4.5	3650.8	7.5	-	1.5	368.9	14
January 2013	4.5	4298.4	7.5	-	1.5	363.8	14
February 2013	4.5	4480.7	7.5	-	1.5	252.8	14
March 2013	4.5	4563.3	7.5	-	1.5	156.6	14
April 2013	4.5	4563.3	7.5	-	1.5	156.6	14
May 2013	4.5	4426.6	7.5\6.5	-	1.5/0.5	225.5	14
June 2013	3.5	3637.3	6.5	-	0.5	295.6	14
July 2013	3.5	3308.6	6.5	-	0.5	224.5	14
August 2013	3.5	3312.9	6.5	0.3	0.5	176.3	14
September 2013	3.5	3746.6	6.5	-	0.5	262.4	14
October 2013	3.5	3096.8	6.5	-	0.5	257.4	14
November 2013	3.5	2897.6	6.5	-	0.5	184.7	14
December 2013	3.5	2773.9	6.5	58.4	0.5	91.0	14

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

Period	External sector											
	Value of total trade, mil. USD				Exports, mil. USD				Imports, mil. USD			
	Total	CIS	EU	Other countries	Total	CIS	EU	Other countries	Total	CIS	EU	Other countries
2009	4561.3	1632.2	2088.6	840.6	1283.0	490.4	667.4	125.3	3278.3	1141.8	1421.2	715.3
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
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
2012	7374.8	2551.8	3332.1	1490.9	2161.8	928.0	1013.4	220.4	5213.0	1623.8	2318.7	1270.5
2013	7891.7	2595.9	3613.6	1682.2	2399.0	924.0	1140.8	334.2	5492.7	1671.9	2472.8	1348.0
Quarter I 2011	1571.8	587.1	684.2	300.5	473.6	175.9	238.8	58.9	1098.2	411.2	445.4	241.6
Quarter II 2011	1798.0	579.2	865.9	352.9	521.9	212.7	255.1	54.1	1276.1	366.5	610.8	298.8
Quarter III 2011	1868.8	651.8	862.7	354.3	549.4	237.8	276.2	35.4	1319.4	414.0	586.5	318.9
Quarter IV 2011	2169.5	814.6	926.5	428.4	671.9	292.9	312.9	66.1	1497.6	521.7	613.6	362.3
Quarter I 2012	1709.0	655.1	720.4	333.5	504.8	201.1	252.2	51.5	1204.2	454.0	468.2	282.0
Quarter II 2012	1793.5	572.1	853.0	368.4	537.0	227.3	255.8	53.9	1256.5	344.8	597.2	314.5
Quarter III 2012	1779.5	609.8	799.4	370.3	506.6	238.8	213.1	54.7	1272.9	371.0	586.3	315.6
Quarter IV 2012	2092.8	714.8	959.3	418.7	613.4	260.8	292.3	60.3	1479.4	454.0	667.0	358.4
Quarter I 2013	1825.4	673.2	775.2	377.0	582.4	246.3	261.3	74.8	1243.0	426.9	513.9	302.2
Quarter II 2013	1890.5	592.1	882.1	416.3	539.3	208.4	251.4	79.5	1351.2	383.7	630.7	336.8
Quarter III 2013	1973.9	632.1	909.3	432.5	597.7	234.9	277.7	85.1	1376.2	397.2	631.6	347.4
Quarter IV 2013	2201.9	698.5	1047.0	456.4	679.6	234.4	350.4	94.8	1522.3	464.1	696.6	361.6
The coverage degree of imports by exports, %												
2009												39.1
2010												40.0
2011												42.7
2012												41.5
2013												43.7
Quarter I 2011												43.1
Quarter II 2011												40.9
Quarter III 2011												41.6
Quarter IV 2011												44.9
Quarter I 2012												41.9
Quarter II 2012												42.7
Quarter III 2012												39.8
Quarter IV 2012												41.5
Quarter I 2013												46.9
Quarter II 2013												39.9
Quarter III 2013												43.4
Quarter IV 2013												44.6

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

Period	External sector												The coverage degree of imports by exports, %	
	Value of total trade, mil. USD				Exports, mil. USD				Imports, mil. USD					Net exports, mil. USD
	Total	CIS	EU	Other countries	Total	CIS	EU	Other countries	Total	CIS	EU	Other countries		
January 2012	486.4	193.9	191.0	101.5	147.5	54.3	74.8	18.4	338.9	139.6	116.2	83.1	-191.4	43.5
February 2012	546.9	228.0	228.8	90.1	157.9	65.9	77.0	15.0	389.0	162.1	151.8	75.1	-231.1	40.6
March 2012	675.7	233.2	300.6	141.9	199.4	80.9	100.4	18.1	476.3	152.3	200.2	123.8	-276.9	41.9
April 2012	608.2	196.6	282.4	129.2	181.6	77.8	84.3	19.5	426.6	118.8	198.1	109.7	-245.0	42.6
May 2012	604.6	187.7	293.0	123.9	176.5	72.5	85.7	18.3	428.1	115.2	207.3	105.6	-251.6	41.2
June 2012	580.7	187.8	277.6	115.3	178.9	77.0	85.8	16.1	401.8	110.8	191.8	99.2	-222.9	44.5
July 2012	579.6	198.5	271.6	109.5	163.0	79.0	69.1	14.9	416.6	119.5	202.5	94.6	-253.6	39.1
August 2012	563.2	194.5	250.6	118.1	156.6	75.8	63.4	17.4	406.6	118.7	187.2	100.7	-250.0	38.5
September 2012	636.7	216.8	277.2	142.7	187.0	84.0	80.6	22.4	449.7	132.8	196.6	120.3	-262.7	41.6
October 2012	707.2	230.7	333.6	142.9	210.2	94.8	97.4	18.0	497.0	135.9	236.2	124.9	-286.8	42.3
November 2012	693.8	234.7	329.0	130.1	215.9	91.2	103.3	21.4	477.9	143.5	225.7	108.7	-262.0	45.2
December 2012	691.8	249.4	296.7	145.7	187.3	74.8	91.6	20.9	504.5	174.6	205.1	124.8	-317.2	37.1
January 2013	510.3	192.8	209.3	108.2	162.1	63.7	82.8	15.6	348.2	129.1	126.5	92.6	-186.1	46.6
February 2013	605.4	220.2	262.9	122.3	198.8	79.0	90.3	29.5	406.6	141.2	172.6	92.8	-207.8	48.9
March 2013	709.7	260.2	303.0	146.5	221.5	103.6	88.2	29.7	488.2	156.6	214.8	116.8	-266.7	45.4
April 2013	676.8	207.9	315.9	153.0	190.7	70.7	88.0	32.0	486.1	137.2	227.9	121.0	-295.4	39.2
May 2013	575.5	173.3	272.7	129.5	165.6	62.6	77.9	25.1	409.9	110.7	194.8	104.4	-244.3	40.4
June 2013	638.2	210.9	293.5	133.8	183.0	75.1	85.5	22.4	455.2	135.8	208.0	111.4	-272.2	40.2
July 2013	678.1	217.6	316.1	144.4	202.1	79.5	95.0	27.6	476.0	138.1	221.1	116.8	-273.9	42.5
August 2013	644.3	209.1	291.5	143.7	199.9	76.7	94.0	29.2	444.4	132.4	197.5	114.5	-244.5	45.0
September 2013	651.5	205.4	301.7	144.4	195.7	78.7	88.7	28.3	455.8	126.7	213.0	116.1	-260.1	42.9
October 20123	705.2	220.6	343.6	141.0	224.8	79.2	116.5	29.1	480.4	141.4	227.1	111.9	-255.6	46.8
November 2013	739.7	225.3	362.8	151.6	252.7	84.6	131.9	36.2	487.0	140.7	230.9	115.4	-234.3	51.9
December 2013	757.0	252.6	340.6	163.8	202.1	70.6	102.0	29.5	554.9	182.0	238.6	134.3	-352.8	36.4

External sector							
	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), %	
2009	80.6	66.9	87.0	89.0	93.0	75.0	
2010	120.1	117.6	103.0	103.0	117.0	114.0	
2011	143.8	134.7	107.0	110.0	134.0	122.0	
2012	97.5	100.4	97.0	99.0	101.0	101.0	
Quarter I 2011	158.2	144.0	109.0	110.0	145.0	131.0	
Quarter II 2011	171.5	139.8	110.0	112.0	156.0	125.0	
Quarter III 2011	144.3	137.4	111.0	112.0	130.0	123.0	
Quarter IV 2011	121.3	122.9	103.0	108.0	118.0	114.0	
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	118.0	108.1	97.0	100.0	122.0	108.0	
Quarter IV 2013	101.8	102.9	92.0	98.0	120.0	105.0	

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

External sector																
	Exports of main trade partners, mil. USD						Imports of main trade partners, mil. USD						Net exports of main trade partners, mil. USD			
	Mondial	SUA	UE 27	Romania	Federatia Rusa	Ucraina	Mondial	SUA	UE 27	Romania	Federatia Rusa	Ucraina	Mondial	SUA	UE 27	Romania
2009	12414.0	1056.0	1527.8	40.7	303.4	39.8	12711.0	1605.3	1722.4	54.5	191.8	45.5	-297.0	-549.3	-194.7	-13.8
2010	15163.0	1278.5	1791.3	49.5	400.6	51.5	15449.0	1969.2	2028.9	62.0	248.6	60.9	-286.0	-690.7	-237.6	-12.5
2011	18163.0	1480.3	2162.3	63.0	522.0	68.5	18429.0	2265.9	2404.1	76.5	323.8	82.6	-266.0	-785.6	-241.8	-13.5
2012	18190.0	1545.7	2170.8	57.9	529.3	68.5	18520.0	2335.5	2312.0	70.2	335.4	84.6	-330.0	-789.8	-141.2	-12.4
2013	18382.0	1567.1	2299.8	63.9	510.2	63.1	18634.0	2327.9	2209.5	71.3	334.1	73.0	-418.0	-732.2	97.3	-7.3
Q. I 2011	4266.0	351.4	512.6	15.2	113.2	15.4	4334.0	523.1	582.7	17.3	65.1	18.5	-68.0	-171.7	-70.1	-2.1
Q. II 2011	4630.0	371.2	546.1	15.9	133.7	17.5	4693.0	573.6	618.6	20.3	83.0	19.9	-63.0	-202.4	-72.5	-4.4
Q. III 2011	4663.0	374.0	547.3	16.2	130.4	17.1	4737.0	588.2	615.7	19.6	85.2	21.1	-74.0	-214.2	-68.5	-3.4
Q. IV 2011	4604.0	383.7	556.3	15.6	144.7	18.5	4665.0	581.0	587.0	19.4	90.5	23.1	-61.0	-197.3	-30.7	-3.7
Q. I 2012	4490.0	381.7	533.3	14.5	131.7	16.2	4584.0	566.9	594.7	16.8	73.0	19.1	-94.0	-185.3	-61.4	-2.3
Q. II 2012	4587.0	391.3	543.0	14.5	131.8	17.5	4640.0	595.0	570.0	18.2	82.1	21.8	-53.0	-203.7	-27.0	-3.7
Q. III 2012	4474.0	378.2	534.2	13.9	125.7	17.1	4582.0	588.4	567.8	17.2	87.3	21.4	-108.0	-210.2	-33.6	-3.3
Q. IV 2012	4639.0	394.5	560.3	15.0	140.1	17.7	4714.0	585.2	579.5	18.1	93.1	22.4	-75.0	-190.6	-19.2	-3.1
Q. I 2013	4500.0	383.4	554.4	15.3	125.2	15.9	4565.0	552.0	556.5	16.7	76.9	17.9	-65.0	-168.6	-2.1	-1.4
Q. II 2013	4635.0	397.5	588.5	15.8	127.4	15.8	4682.0	588.2	547.7	17.7	85.0	17.0	-131.0	-190.7	39.6	-1.9
Q. III 2013	4612.0	388.6	568.4	16.9	130.1	15.6	4705.0	599.4	557.5	19.1	87.3	21.0	-91.0	-182.3	20.2	-2.1
Q. IV 2013	4361.0	409.4	590.7	17.8	139.5	17.0	4452.0	591.7	570.5	19.9	94.4	20.8	-91.0	-182.3	20.2	-2.1

Source: According to the WTO statistics.

	External sector																			
	Exports of main trade partners, mil. USD							Imports of main trade partners, mil. USD							Net exports of main trade partners, mil. USD					
	Mondial	SUA	UE 27	Romania	Federatia Rusa	Ucraina		Mondial	SUA	UE 27	Romania	Federatia Rusa	Ucraina		Mondial	SUA	UE 27	Romania	Federatia Rusa	Ucraina
Jan. 2012	1301.0	123.6	176.0	4.7	45.2	5.0		1386.0	176.2	194.5	5.3	24.9	6.8		-85.0	-52.6	-18.5	-0.7	20.2	-1.8
Feb. 2012	1458.0	140.2	195.0	5.4	46.8	5.9		1520.0	202.3	207.1	6.4	28.7	6.9		-62.0	-62.1	-12.1	-1.0	18.1	-1.1
Mar. 2012	1341.0	127.4	173.2	4.7	45.1	5.8		1408.0	194.4	191.8	5.9	26.9	7.3		-67.0	-67.0	-18.7	-1.2	18.2	-1.5
Apr. 2012	1409.0	131.3	185.0	5.1	45.7	6.2		1484.0	203.6	193.0	6.4	28.2	7.6		-75.0	-72.3	-8.0	-1.3	17.5	-1.3
May 2012	1377.0	132.5	182.9	4.7	40.9	5.5		1405.0	196.9	184.9	5.9	27.0	7.0		-28.0	-64.4	-2.0	-1.2	13.9	-1.5
Jun. 2012	1342.0	121.4	182.9	4.6	41.3	5.8		1410.0	198.0	181.7	5.6	29.7	7.2		-68.0	-76.6	1.2	-0.9	11.5	-1.4
Jul. 2012	1313.0	128.6	173.2	4.4	41.3	5.8		1397.0	200.0	191.5	5.6	30.0	7.3		-84.0	-71.4	-18.3	-1.3	11.3	-1.4
Aug. 2012	1374.0	128.2	176.0	4.9	43.2	5.5		1434.0	190.5	194.8	6.0	27.6	6.9		-60.0	-62.3	-18.9	-1.1	15.6	-1.4
Sep. 2012	1435.0	133.6	196.1	5.4	46.1	6.2		1510.0	203.9	209.4	6.9	31.6	7.7		-75.0	-70.3	-13.2	-1.4	14.5	-1.5
Oct. 2012	1400.0	130.2	187.9	5.4	45.4	6.0		1474.0	199.5	191.7	6.0	30.1	6.9		-74.0	-69.3	-3.8	-0.5	15.4	-0.9
Nov. 2012	1349.0	130.8	174.1	4.1	48.6	5.6		1376.0	181.8	177.3	5.3	31.4	7.8		-27.0	-51.0	-3.1	-1.2	17.1	-2.2
Dec. 2012	1346.0	123.4	175.1	4.9	38.9	5.0		1449.0	190.4	198.6	5.3	21.7	5.1		-103.0	-67.0	-23.5	-0.4	17.2	-0.1
Jan. 2013	1272.0	123.6	179.7	5.2	41.9	5.1		1317.0	175.0	178.7	5.5	26.5	6.3		-45.0	-51.4	0.9	-0.3	15.3	-1.2
Feb. 2013	1433.0	136.4	197.9	5.2	44.5	5.1		1457.0	186.6	179.6	5.9	28.7	6.5		-24.0	-50.2	18.3	-0.7	15.8	-1.4
Mar. 2013	1402.0	129.7	196.2	5.3	44.5	5.8		1471.0	196.2	185.8	6.1	30.2	6.7		-69.0	-66.4	10.4	-0.8	14.3	-0.9
Apr. 2013	1409.0	133.0	200.7	5.2	41.0	4.9		1456.0	202.0	182.1	5.9	26.4	5.1		-47.0	-69.0	18.6	-0.6	14.6	-0.1
May 2013	1384.0	134.8	191.0	5.3	41.9	4.8		1399.0	190.0	180.5	5.7	28.3	5.3		-15.0	-55.2	10.6	-0.5	13.6	-0.5
Jun. 2013	1411.0	127.6	203.1	5.9	43.8	5.2		1485.0	203.2	189.4	6.6	30.5	6.8		-74.0	-75.6	13.7	-0.7	13.3	-1.6
Jul. 2013	1350.0	132.3	177.7	5.1	42.6	5.2		1405.0	198.9	181.3	5.9	28.6	6.9		-55.0	-66.6	-3.6	-0.9	14.0	-1.7
Aug. 2013	1411.0	128.7	188.3	5.9	44.8	5.2		1470.0	197.3	189.1	6.5	28.9	7.5		-59.0	-68.6	-0.8	-0.6	15.9	-2.4
Sep. 2013	1503.0	141.8	209.6	6.4	43.6	5.6		1546.0	210.7	204.0	7.3	30.9	7.3		-43.0	-68.9	5.6	-0.9	12.7	-1.7
Oct. 2013	1450.0	136.6	192.1	6.1	46.7	5.6		1472.0	193.8	188.5	6.6	30.2	6.4		-22.0	-57.1	3.5	-0.5	16.6	-0.8
Nov. 2013	1408.0	130.9	189.1	5.3	49.2	5.9		1434.0	187.2	178.0	6.0	33.4	7.1		-26.0	-56.2	11.2	-0.7	15.8	-1.2
Dec. 2013	1407.0	130.9	189.1	5.3	49.2	5.9		1431.0	187.3	178.2	6.0	33.4	7.1		-24.0	-56.5	11.2	-0.7	15.8	-1.2

Source: According to the WTO statistics.

Source: According to the WTO statistics.

Period	External sector												
	Growth of exports in goods, year over year						Growth of imports in goods, year over year						
	World	USA	EU 28	Romania	Russia	Ukraine	World	USA	EU 28	Romania	Russia	Ukraine	
2009	-22.5	-18.0	-20.7	-18.2	-35.7	-40.6	-22.9	-26.0	-26.2	-35.4	-34.3	-46.8	
2010	22.1	21.1	17.2	21.8	32.1	29.4	21.5	22.7	17.8	13.9	29.6	33.9	
2011	19.8	15.8	20.7	27.2	30.3	33.0	19.3	15.1	18.5	23.4	30.2	35.6	
2012	0.1	4.4	0.4	-8.2	1.4	0.1	0.5	3.1	-3.8	-8.2	3.6	2.5	
2013	1.1	1.4	5.9	10.4	-3.6	-7.9	0.6	-0.3	-4.4	1.5	-0.4	-13.8	
Q. I 2011	22.9	18.3	26.1	38.6	22.8	48.8	22.6	18.8	24.2	25.2	42.5	56.9	
Q. II 2011	25.0	17.8	28.1	34.9	37.3	37.0	24.3	16.7	26.5	32.5	42.9	43.9	
Q. III 2011	22.3	17.4	19.6	29.3	33.7	29.6	20.7	13.7	20.2	28.3	24.7	29.9	
Q. IV 2011	10.3	10.3	11.0	10.2	27.4	21.9	10.8	11.8	5.2	9.8	18.3	21.3	
Q. I 2012	5.3	8.6	4.0	-4.6	16.3	5.1	5.8	8.4	2.1	-2.9	12.1	3.1	
Q. II 2012	-0.9	5.4	-0.6	-9.1	-1.5	0.3	-1.1	3.7	-7.9	-10.4	-1.2	9.9	
Q. III 2012	-4.1	1.1	-2.4	-14.3	-3.5	0.2	-3.3	0.0	-7.8	-12.4	2.5	1.2	
Q. IV 2012	0.8	2.8	0.7	-4.3	-3.2	-4.3	1.1	0.7	-1.3	-6.5	2.8	-3.2	
Q. I 2013	0.2	0.5	4.0	5.5	-4.9	-1.5	-0.4	-2.6	-6.4	-0.3	5.4	-6.2	
Q. II 2013	1.0	1.6	8.4	9.4	-3.3	-9.8	0.9	-1.1	-3.9	-2.5	3.5	-21.9	
Q. III 2013	3.1	2.8	6.4	21.6	3.5	-9.1	2.7	1.9	-1.8	11.1	0.0	-1.7	
Q. IV 2013	-6.0	3.8	5.4	18.9	-0.4	-3.8	-5.6	1.1	-1.6	9.8	1.4	-7.1	

Source: According to the WTO statistics.

Period	External sector													
	Growth of exports in goods, year over year							Growth of imports in goods, year over year						
	World	USA	EU 28	Romania	Russia	Ukraine	World	USA	EU 28	Romania	Russia	Ukraine		
Jan 2012	9.1	12.8	3.4	-3.4	15.1	5.0	12.1	9.8	7.4	-0.8	14.1	5.8		
Feb 2012	0.6	6.5	1.1	-7.8	7.3	-2.2	1.0	6.0	-2.6	-9.8	6.5	-1.6		
Mar 2012	-1.1	2.7	-2.0	-5.9	-1.7	3.4	-0.6	6.2	-5.5	-7.5	-0.8	15.3		
Apr 2012	0.1	5.9	-2.2	-7.7	4.7	9.5	-0.5	5.0	-8.7	-11.0	0.0	12.0		
May 2012	-2.5	7.7	1.4	-13.6	-7.3	-11.1	-4.6	0.2	-9.4	-12.4	-2.7	2.7		
Jun 2012	-4.1	1.0	-1.6	-15.1	-1.7	7.5	-2.2	3.0	-10.7	-13.3	8.2	10.3		
Jul 2012	-5.3	1.5	-1.4	-12.5	-7.3	0.9	-5.7	-0.7	-8.6	-10.1	-0.5	0.9		
Aug 2012	-3.8	0.9	-5.2	-15.0	-1.5	-7.1	-3.4	-2.1	-3.8	-13.5	0.0	-6.5		
Sep 2012	2.9	1.9	4.7	-4.2	0.0	7.2	3.6	3.6	3.6	2.0	7.3	1.7		
Oct 2012	-0.2	3.6	0.0	-4.1	-4.0	-5.2	-0.4	2.2	-5.1	-13.6	-1.0	-10.4		
Nov 2012	-0.9	3.0	-3.9	-4.7	-5.4	-13.6	-1.1	-3.9	-3.0	-8.0	2.4	-1.0		
Dec 2012	7.6	4.7	9.2	10.1	-2.2	-6.0	7.6	1.1	2.7	5.1	11.9	-4.8		
Jan 2013	-2.2	0.0	2.1	11.1	-7.3	3.0	-5.0	-0.7	-8.1	2.3	6.5	-7.1		
Feb 2013	-1.7	-2.7	1.5	-3.2	-4.9	-12.8	-4.1	-7.7	-13.3	-6.7	0.1	-6.1		
Mar 2013	4.5	1.8	13.3	14.8	-1.4	-0.4	4.5	0.9	-3.1	4.3	12.3	-8.4		
Apr 2013	0.0	1.3	8.5	2.3	-10.2	-21.4	-1.9	-0.8	-5.7	-8.8	-6.3	-33.3		
May 2013	0.5	1.7	4.5	11.8	2.4	-12.6	-0.4	-3.5	-2.4	-2.2	4.9	-23.4		
Jun 2013	5.1	5.1	11.0	27.3	6.1	-9.7	5.3	2.6	4.2	19.6	2.5	-5.2		
Jul 2013	2.8	2.9	2.6	16.6	3.1	-10.9	0.6	-0.5	-5.3	5.9	-4.7	-5.7		
Aug 2013	2.7	0.4	7.0	20.6	3.9	-6.9	2.5	3.6	-2.9	8.2	4.9	9.1		
Sep 2013	4.7	6.2	6.8	18.5	-5.4	-9.5	2.4	3.3	-2.6	6.5	-2.2	-4.7		
Oct 2013	3.6	5.0	2.2	12.8	2.8	-6.4	-0.1	-2.8	-1.7	11.4	0.3	-6.7		
Nov 2013	4.4	0.1	8.6	27.3	1.2	5.4	4.2	3.0	0.4	12.5	6.1	-9.7		
Dec 2013	4.5	6.0	8.0	6.7	26.5	17.7	-1.2	-1.6	-10.3	11.5	54.1	37.5		

Source: According to the WTO statistics.

Period	External sector							
	Equity capital, mil. USD	Reinvested earnings, mil. USD	Other capital, mil. USD	FDI inflow, mil. USD	Compensation of employees, mil. USD	Personal transfers, mil. USD	Migrant's transfers, mil. USD	Remittances inflow, mil. USD
2009	161.6	-11.6	-4.7	145.3	563.4	635.2	12.1	1210.8
2010	157.0	14.6	25.9	197.4	743.0	608.5	12.1	1363.5
2011	143.9	86.7	57.6	288.2	899.0	701.4	14.3	1614.7
2012	144.6	-11.0	41.6	175.1	1012.5	773.8	15.9	1802.3
2013	161.5	9.4	60.4	231.3	1114.8	861.0	15.3	1991.0
Q. I 2011	31.6	8.5	28.1	68.2	164.4	146.0	3.0	313.4
Q. II 2011	22.4	38.0	13.4	73.8	229.7	175.7	3.5	408.8
Q. III 2011	36.3	21.8	5.1	63.2	258.9	191.9	3.7	454.4
Q. IV 2011	53.6	18.4	11.0	83.0	246.1	187.8	4.3	438.1
Q. I 2012	39.1	3.6	-7.1	35.6	190.7	164.7	3.9	359.3
Q. II 2012	56.5	-4.1	-3.7	48.7	253.9	192.6	3.8	450.4
Q. III 2012	-4.2	1.7	47.5	45.0	280.7	208.6	4.0	493.3
Q. IV 2012	53.1	-12.2	4.9	45.9	287.2	207.8	4.2	499.2
Q. I 2013	50.6	-0.3	2.3	52.7	214.2	184.7	3.7	402.5
Q. II 2013	28.0	13.6	28.4	70.0	281.5	207.5	3.8	492.7
Q. III 2013	34.5	1.1	12.2	47.8	315.6	231.4	3.6	550.7
Q. IV 2013	48.3	-5.0	17.5	60.8	303.5	237.4	4.2	545.1

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

Business environment		
Period	Registration of enterprises	Liquidation of enterprises
2009	7220	3274
2010	6488	3177
2011	6740	3430
2012	6273	3218
2013	6231	2808
Quarter I 2011	1931	797
Quarter II 2011	1629	965
Quarter III 2011	1543	861
Quarter IV 2011	1637	807
Quarter I 2012	1757	852
Quarter II 2012	1499	760
Quarter III 2012	1378	845
Quarter IV 2012	1639	761
Quarter I 2013	1797	700
Quarter II 2013	1509	668
Quarter III 2013	1379	657
Quarter IV 2013	1546	783
Jan 2013	574	233
Feb 2013	627	212
Mar 2013	596	255
Apr 2013	609	282
May 2013	415	182
Jun 2013	485	204
Jul 2013	505	260
Aug 2013	435	229
Sept 2013	439	168
Oct 2013	515	293
Nov 2013	524	203
Dec 2013	507	287

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

Demographic situation														
	Number of the resident population Total (thou. pers.) beginning-year	Number of the present population Total (thou. pers.) beginning-year	Live-births		Deceased		Infant deaths		Natural increase		Marriages		Divorces	
			Number of live-births - total (pers.)	per 1000 people - births	Number of deceased - total (pers.)	per 1000 people - deaths	Number of infant deaths - total (pers.)	per 1000 live-births - infant deaths	Natural increase (pers.)	natural increase per 1000 people	Number of marriages (number)	per 1000 people - marriages	Number of divorces (number)	per 1000 people - divorces
2009	3567.5	3419.4	40803	11.4	42139	11.8	493	12.1	-1336	-0.4	26781	7.5	11884	3.3
2010	3563.7	3415.6	10474	11.4	43631	12.3	476	11.6	-3157	-0.9	26483	7.4	11504	3.2
2011	3560.4	3560.4	39162	11.0	29234	11.0	430	11.0	-72	0.0	25889	7.3	11119	3.1
2012	3559.5	3559.5	39435	11.1	39560	11.1	385	9.8	-125	0.0	24262	6.8	10637	3.0
January			3371	11.2	4089	13.5	35	10.4	-718	-2.3	1229	4.1	1115	3.7
February			6177	10.7	7405	12.9	66	7.9	-1228	-2.2	2409	4.2	1854	3.2
March			8974	10.2	10859	12.4	92	8.4	-1885	-2.2	3899	4.4	2919	3.3
April			11744	10.0	14169	12.1	122	9.6	-2425	-2.1	4615	3.9	3726	3.2
May			14732	10.0	17285	11.7	152	9.8	-2553	1.7	6646	4.5	4768	3.2
June			17779	10.1	19936	11.3	178	10.1	-2157	1.2	9014	5.1	5506	3.1
July			21204	10.3	22592	10.9	209	9.9	-1388	-0.6	10927	5.3	6331	3.1
August			24632	10.4	25105	10.6	232	9.4	-473	-0.2	14406	6.1	7097	3.0
September			27960	10.5	27907	10.5	266	9.5	53	0.0	18039	6.8	7794	2.9
October			31880	10.8	31416	10.6	294	9.2	464	0.2	21038	7.1	8644	2.9
November			35030	10.8	34724	10.7	325	9.3	306	0.1	23369	7.2	9745	3.0
December			37859	10.6	38060	10.7	358	9.5	-201	-0.1	24448	6.9	10775	3.0
2013	3557.6	3557.6	37859	10.6	38060	10.7	358	9.5	-201	-0.1	24448	6.9	10775	3.0

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

Labour market																		
	Number of economically active population (thou. pers.)	Activity rate, %				Number of employed (thou. pers.)	Employment rate, %				ILO unemployed (thou. pers.)	Unemployment rate, %						
		Total	men	women	urban		rural	Total	men	women		urban	rural	Total	men	women	urban	rural
2009	1265.3	42.8	46.2	39.7	47.4	39.3	1184.4	40.0	42.6	37.7	43.6	37.4	81.0	6.4	7.8	4.9	8.0	5.0
	1235.4	41.6	45.0	38.6	47.2	37.5	1143.4	38.5	40.9	36.4	42.7	35.4	92.0	7.4	9.1	5.7	9.6	5.4
	1257.5	42.3	45.6	39.3	48.0	38.0	1173.5	39.4	42.1	37.1	44.1	36.0	84.0	6.7	7.7	5.6	8.2	5.2
	Q1	1103.7	37.0	38.8	35.3	45.6	30.5	1023.9	34.3	35.2	33.6	41.9	28.6	79.8	7.2	9.5	5.0	8.1
2010	1266.9	42.5	45.6	39.6	46.3	39.6	1209.3	40.5	43.1	38.2	43.2	38.6	57.6	4.5	5.4	3.6	6.8	2.6
	1286.9	43.1	46.0	40.5	46.5	40.7	1224.7	41.1	43.3	39.0	43.1	39.6	62.2	4.8	5.9	3.7	7.3	2.8
	1200.7	40.3	43.6	37.2	49.6	33.3	1129.3	37.9	40.6	35.4	46.2	31.8	71.4	5.9	7.0	4.9	7.0	4.8
	Q4	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
2011	1121.0	37.5	39.7	35.6	45.8	31.5	1030.2	34.5	35.7	33.4	42.0	29.0	90.8	8.1	10.2	6.0	8.2	8.0
	1288.4	43.1	47.2	39.5	45.0	41.7	1227.6	41.1	44.5	38.0	42.1	40.3	60.8	4.7	5.6	3.8	6.4	3.3
	1328.2	44.5	47.7	41.6	46.0	43.3	1276.8	42.7	45.7	40.1	43.5	42.1	51.4	3.9	4.1	3.6	5.3	2.7
	Q3	1205.8	40.4	43.4	37.6	45.8	36.2	1156.5	38.7	41.3	36.4	43.5	35.1	49.3	4.1	4.8	3.3	5.2
2012	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

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

Remuneration of labour									
		Nominal monthly wage - Total			Index nominal monthly wage (comparative to previous year), %			Index real monthly wage (comparative to previous year), %	
		MDL	USD	EUR	MDL	USD	EUR		
2012	2009	2747.6	247.2	177.0	108.6	101.5	107.0	108.6	
	2010	2972.2	240.4	181.2	108.2	97.3	102.4	100.7	
	2011	3193.9	272.1	195.5	111.6	113.2	107.9	103.7	
	Q1	January	3139.0	265.8	206.1	110.7	114.5	118.6	103.5
		February	3166.0	266.5	201.9	109.8	111.0	114.8	103.4
		March	3273.5	276.3	209.6	109.7	110.6	117.3	104.1
	Q2	April	3350.3	283.8	215.6	106.9	105.9	116.0	102.1
		May	3489.8	294.2	229.1	108.5	106.1	118.8	104.2
		June	3913.5	323.8	258.4	110.0	105.5	121.0	106.1
	Q3	July	3574.9	289.2	234.8	109.6	102.3	118.6	105.4
		August	3503.6	280.4	226.4	110.4	100.5	116.3	105.7
		September	3421.5	275.7	215.1	108.3	101.2	109.1	103.2
2013	October	3482.3	284.2	219.1	110.1	106.0	111.9	106.0	
	November	3527.8	286.1	222.9	109.2	103.8	109.8	105.3	
	December	3888.8	318.9	243.1	104.9	101.4	102.0	100.8	
	Q1	January	3413.5	281.3	212.0	108.7	105.8	102.9	104.0
		February	3380.1	279.5	208.8	106.8	104.9	103.4	102.4
		March	3638.7	295.4	227.8	111.2	106.9	108.7	106.7
	Q2	April	3739.7	302.9	232.9	111.6	106.7	108.0	106.8
		May	3758.5	304.2	234.0	107.7	103.4	102.1	101.9
		June	3859.0	309.9	235.4	98.6	95.7	91.1	93.5
	Q3	July	3908.5	308.3	235.7	109.3	106.6	100.4	104.8
		August	3832.4	300.5	225.8	109.4	107.2	99.7	105.5
		September	3758.5	292.0	218.8	109.8	105.9	101.7	105.7
Q4	October	3785.4	290.3	213.0	108.7	102.1	97.2	103.8	
	November	3793.6	292.7	216.7	107.5	102.3	97.2	102.5	
	December	4278.7	328.1	239.7	110.0	102.9	98.6	104.6	

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

Subsistence minimum													
		Subsistence – average, Total, MDL	TOTAL, MDL										
			Population of working age – Total	Pensioners	Children								
					Children - Total	under 1 year	1-6 years	7-16 years					
2012	2009	1187.8	1251.1	1022.8	1112.0	451.0	964.3	1228.3					
	2010	1373.4	1453.1	1184.3	1258.1	498.8	1095.9	1409.3					
	2011	1503.0	1582.8	1305.6	1391.4	590.6	1238.3	1550.1					
	2012	1511.9	1591.3	1303.2	1413.7	602.0	1261.8	1578.0					
	January	1455.7	1524.9	1256.7	1384.6	601.2	1254.7	1528,2					
	February												
	March												
	Q1	1455.1	1531.1	1259.7	1357.5	568.5	1217,9	1512,7					
	Q2												
	Q3												
	Q4	1511.9	1591.3	1303.2	1413.7	602.0	1261,8	1578,0					
	Sem I								1700.3	1341.4	1533.9	591.4	1328,4
Sem II													
2013	1616.2	1719.8	1312.5	1534.7	631.0	1316,0	1728,5						
Q1													
Q2													
Q3	1612.3	1710.0	1326.9	1534.3	611.2	1322.2	1726.3						
Q4													
Sem I													
Sem II													

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

Household disposable income										
		Disposable income MDL	The structure of the disposable income, %							
			employment activity	individual agricultural activity	individual non-agricultural activity	property income	social benefits	etc.		
<b>2009</b>		1166.1	45.3	8.9	6.5	0.2	17.5	21.7		
<b>2010</b>		1273.7	42.6	9.8	6.8	0.1	18.7	22.0		
<b>2011</b>		1444.7	44.7	10.0	6.8	0.4	18.1	20.1		
<b>2012</b>		1508.8	42.7	9.6	7.2	0.2	19.2	21.2		
<b>Q1</b>	January	1439.3	43.9	10.1	5.9	0.1	18.4	21.6		
	February									
	March									
<b>Q2</b>	April	1523.1	43.7	9.8	6.3	0.6	19.0	20.7		
	May									
	June									
<b>Q3</b>	July	1507.3	41.4	9.1	8.5	0.0	20.6	20.4		
	August									
	September									
<b>Q4</b>	October	1572.5	41.7	9.3	8.0	0.1	18.8	22.1		
	November									
	December									
<b>Q1</b>	January	1559.8	42.5	9.1	6.4	0.3	19.4	22.3		
	February									
	March									
<b>Q2</b>	April	1667.2	43.7	10.0	6.4	0.1	18.8	21.0		
	May									
	June									
<b>Q3</b>	July	1755.7	41.8	8.8	7.2	0.2	20.3	21.7		
	August									
	September									
<b>Q4</b>	October	1743.0	38.7	8.4	7.5	0.2	20.9	24.3		
	November									
	December									
<b>2013</b>		1681.4	41.6	9.1	6.9	0.2	19.9	22.3		

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

Household consumer expenditure															
		The structure of the consumer expenditure, %													
		Consumer expenditure MDL	food	alcoholic beverages, tobacco	clothing, footwear	household maintenance	endowment house	medical and health care	transportation	communications	recreational activity	education	hotels, restaurants, cafes etc.	etc.	
2012	2009	1217.4	40.8	1.8	12.2	16.2	3.9	6.2	4.7	5.0	2.0	0.5	2.5	4.1	
	2010	1371.7	40.8	1.8	10.8	17.8	3.9	6.4	4.9	4.6	1.7	1.3	2.2	3.8	
	2011	1534.1	42.5	1.8	10.4	18.1	3.6	5.4	5.2	4.4	1.7	1.1	1.9	4.0	
	2012	1598.6	43.2	1.7	10.6	18.5	3.5	5.6	4.2	4.4	1.4	1.0	1.7	4.1	
	January	1510.8	43.7	1.6	10.9	18.3	3.0	6.2	3.8	4.5	1.1	1.1	2.1	3.7	
	February														
	March														
	Q1	April	1582.6	43.7	1.6	11.2	18.5	3.3	4.8	4.5	1.4	0.9	1.8	3.8	
	Q2	May													
	June														
	Q3	July	1675.3	42.0	1.7	10.3	19.0	4.1	6.5	4.3	4.3	1.9	1.0	1.3	3.6
	August														
September															
Q4	October	1624.4	43.3	1.7	10.2	18.3	3.7	5.0	4.4	4.2	1.4	1.0	1.8	5.0	
November															
December															
Q1	January	1656.1	43.4	1.7	9.6	18.3	3.2	6.7	4.6	4.5	1.3	0.8	1.8	4.1	
February															
March															
Q2	April	1762.0	44.3	1.5	10.6	19.0	3.2	4.7	4.9	4.3	1.0	0.9	1.5	4.1	
May															
June															
Q3	July	1888.0	40.9	1.3	10.2	20.2	3.8	5.8	5.1	4.0	1.9	0.8	1.7	4.0	
August															
September															
Q4	October	1798.5	43.0	1.6	10.9	19.1	4.2	5.5	4.1	4.1	1.8	0.8	1.2	3.8	
November															
December															
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	

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

Crimes																						
	Recorded crimes – total, (cases)	Crimes against life and health of the person (cases)			Crimes of sexual life (cases)		Crimes against property (cases)							Offenses against public health and social coexistence (cases)		Crimes against family and minors (cases)		Economic crimes (cases)			Crimes against public security and public order (cases)	
		Total	murder	premeditated severe injuries	Total	rape	Total	theft	brigandage	robbery	fraud	pocket-picking	blackmail	Total	drug related crimes	Total	Total	trafficking in children	Total	contraband	manufacture of counterfeit currency	Total
2009	25655	1667	240	369	402	264	12222	9136	205	1003	1066	118	52	2065	1879	168	42	2452	251	292	927	767
2010	33402	1892	265	416	557	368	18104	13646	185	1204	1841	395	64	1983	1794	204	23	1053	170	376	1122	955
2011	35124	1799	216	360	461	291	19340	15060	152	1151	1574	554	44	1810	1658	597	24	1384	211	681	1342	1152
2012	36615	1755	223	325	617	360	18751	14294	167	1175	1651	540	64	1785	1575	953	20	1928	163	1156	1514	1284
January																						
February		362	49	67	141	82	3988	3012	49	297	354	102	7	468	386	192	6	464	46	296	315	263
March																						
April																						
May	16852	762	96	145	287	179	8619	6587	81	587	757	205	24	893	760	409	10	888	89	569	691	585
June																						
July																						
August	26012	1222	151	228	448	273	13239	10128	127	872	1136	339	43	1336	1169	668	15	1416	127	933	1054	888
September																						
October																						
November	36615	1755	223	325	617	360	18751	14294	167	1175	1651	540	64	1785	1575	953	20	1928	163	1156	1514	1284
December																						
January		326	55	66	154	91	4630	3535	47	267	424	182	17	308	274	317	7	224	30	84	383	341
February																						
March	8250																					
April		767	114	140	306	172	10004	7563	83	550	1002	378	39	568	496	663	14	492	68	188	784	694
May																						
June																						
July																						
August	27320	1175	150	220	455	258	14624	11037	121	829	1513	494	67	951	850	1067	17	724	103	256	1151	1025
September																						
October																						
November	38157	1647	215	324	608	349	20391	15378	146	1144	2065	741	88	1305	1166	1474	20	1002	151	344	1625	1444
December																						
2013	38157	1647	215	324	608	349	20391	15378	146	1144	2065	741	88	1305	1166	1474	20	1002	151	344	1625	1444

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

Education															
Institutions of primary and general secondary education															
	Institutions of primary and general secondary education							Institutions of secondary vocational education							
	Number of pupils, by groups of classes - total, thou. pers.						Number of institutions, number		Number of pupils - thou. pers.		Matriculation, thou. pers.		Graduates, thou. pers.		
	Day institutions, number			Evening schools, number				Total		Total		Total		Total	
	Number of institutions - total, number			schools for children with mental or physical handicap				vocational schools		vocational schools		vocational schools		vocational schools	
	Day schools - total			lyceums				schools of trades		schools of trades		schools of trades		schools of trades	
	primary schools							vocational schools		vocational schools		vocational schools		vocational schools	
	gymnasiums							schools of trades		schools of trades		schools of trades		schools of trades	
	10-12			5-9				Total		Total		Total		Total	
	1-4			preparatory				vocational schools		vocational schools		vocational schools		vocational schools	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total		Total		Total	
	Total			Total				Total		Total					

Redactor-șef CE: Iulita BÎRCĂ  
Redactor: Lucia CUTASEVICI  
Designer copertă: Virgiliu MOREI

Adresa redacției: Complexul Editorial, INCE, MD-2064,  
or. Chișinău, str. I. Creangă, 45, tel.: (+373-22) 50-11-30, fax: (+373-22) 74-37-94  
web: [www.ince.md/complexul-editorial/](http://www.ince.md/complexul-editorial/); e-mail: [bircaiulita@mail.ru](mailto:bircaiulita@mail.ru)

Bun de tipar: 03.04.2014. Tirajul 300 ex.  
Coli de tipar 9,1. Coli editoriale 10,2. Com. 7.  
Complexul-Editorial al INCE, 2014