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GENERAL DATA

Official name	REPUBLIC OF MOLDOVA
Capital	Chisinau
President	Nicolae Timofti (Igor Dodon, elected on November 13, 2016)
President of the Parliament	Andrian Candu
Prime Minister	Pavel Filip
Parliament of the Republic of Moldova	101 deputies: Socialist Party of the Republic of Moldova – 24, Liberal Democratic Party of Moldova – 8, Communist Party of the Republic of Moldova – 7, Democratic Party of Moldova – 34, Liberal Party – 13, Unaffiliated deputies – 15.
Independence was obtained on	August 27, 1991
Area	33,8 thousand km ²
Administrative units	32 districts, 5 municipalities (Chisinau, Balti, Bender, Comrat, Tiraspol), ATU Gagauzia, Administrative Territorial Units from the left of the Dniester
Resident Population	3555.2 thousand inhabitants (beginning of 2016)
Main religions	Orthodox (93.34%), Protestant (1.98%), Old-Rite Christians (0.15%), Catholic (0.14%), etc.
National currency	Moldovan Leu (average exchange rate, quarter IV, 2016 – 1 USD = 20.0 MDL, 1 EUR = 21.6 MDL)

ABBREVIATIONS

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

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

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

The end of 2016 was marked by several important events of political, economic and social nature.

October 4

The European Investment Bank will provide a loan worthing 50 mln. EUR in order to implement the modernization project of railway network from the Republic of Moldova by restoring some sectors of railway infrastructure and purchasing new highway engines. The new engines are supposed to replace the old ones and infrastructure restoring will be carried out on the sectors where the repair of railway lines is necessary for a long time.

October 27

The Executive Board of the National Bank of Moldova has adopted the reduction of the base rate applied on the main monetary policy operations on short term by 0.5 percentage points from 9.5% to 9.0% annually. Also, the interest rates on overnight credits decrease by 0.5 percentage points, from 12.5% to 12.0% annually and overnight deposits by 0.5 percentage points from 6.5% to 6.0% annually. In the same context, the required reserves norm from means attracted in freely convertible currency is maintained at the level of 14.0 percent of the computation base and required reserves norm from means attracted in MDL and non-convertible currency is maintained at the level of 35.0 percent of the computation base.

October 28

On October 28, 2016 at Minsk took place the meeting of the Heads of Government Council of Commonwealth of Independent States. The Republic of Moldova was represented by Mr. Octavian Calmac, the deputy prime-minister, Minister of Economy. During the meeting there were signed a series of draft documents on multilateral cooperation within CIS regarding energy and transport infrastructure, tackling of organised crime and other crimes as well as within humanitarian sphere.

October 30

On October 30, 2016 in the Republic of Moldova was held the first round of presidential elections. The participation rate was 50.95%, however no candidate has accumulated the necessary ballots to become the President of the Republic of Moldova.

October 31

The VIIth Joint Meeting of Moldovan-Ukrainian Committee for Scientific and Technological Cooperation was held withing the Academy of Science of Moldova. During this meeting, the deputy minister of Education and Science from Ukraine, dr. Maksym Strikha and the head of the Academy of Science of Moldova, acad. Gheorghe Duca were present who have discussed the modern processes in science, technology and innovation in Ukraine and Moldova, situation regarding the cooperation between the two countries for the implementation processes within EU Program for research and innovation „Orizont 2020” as well as other european programs. The parties discussed about the perspectives for bilateral cooperation, implicitly regarding adoption of the 10 scientific and technological projects recommended for the research and implementation of the common funds in 2017-2018. In the context of discussions, the parties agreed to identify the opportunities to increase in the future the number of projects from 10 to 15 and prepare to sign the project of Science and Technology Cooperation Program between the

Ministry of Education and Science from Ukraine and Academy of Science of Moldova during the period 2018-2022.

November 7

The Board of Executive Directors of the International Monetary Fund has approved a new agreement with the Republic of Moldova which provides the allocation of 178.7 mln. USD. The agreement concluded for three years aims to support the economic and financial reforms program of the state strengthening the economic stabilization and implementation of some structural reforms especially in the financial sector. Thus, the Republic of Moldova will benefit by financial and technical support while will implement deep reforms in the financial sector and will provide for the authorities the necessary space to promote a more balanced budgetary-fiscal policy and will contribute to the supply of the international reserves.

November 9

The Government of the Republic of Moldova has approved the ratification of the Grant Agreement between the Republic of Moldova and European Bank for Reconstruction and Development. It provides the allocation of a grant worthing 10 mln. EUR to implement the project „Apa Nord Moldova”. The purpose of the project is to improve the living conditions through the access to the drinking water sources for about 400.000 citizens taking into account the polluted groundwater from the cities and villages in the northern region of the country. The amount of money is intended for construction and rehabilitation works of the water intake and station of drinking water treatment, modernization of existent water conduit Soroca-Balti and to extent the water supply networks in the localities from Floresti district.

November 13

The second round of presidential elections in which Mr. Igor Dodon and Mrs. Maia Sandu have compete was organised on November 13, 2016. As a result of the votes, Mr. Igor Dodon was elected the President of the Republic of Moldova.

November 15

The Republic of Moldova will take advantage of 3.5 mln. EUR for modernization of local public services as a result of the cooperation agreement signed between Federal Ministry for Economic Cooperation and Development from Germany and Swedish International Development and Cooperation Agency. Thus, the Agency will continue to provide support in the development of local public authorities abilities so that to be able to provide qualitative services.

December 2

As a result of the visit to Brussels, the Prime-Minister of the Republic of Moldova, Mr. Pavel Filip announced that the European Union will allocate to the Republic of Moldova in 2017 macro-financial support amounting to 100 mln. EUR, of which 40 mln. EUR in the form of grant and 60 mln. as a credit.

December 5

The Cabinet of Ministers has approved the Draft Law on State Social Insurance Budget for 2017. Hence, the estimated revenues of state insurance budget for 2017 will amount 16 410 670.2 MDL, increasing by 9.8% (or 1 464 985.9 MDL) in relation to the revenues approved for 2016.

December 14

The Government of the Republic of Moldova has approved the signing of two agreements with the European Union that it will provide 13 mln. EUR for projects of development of civil society

and public authorities abilities. The first agreement provides for a grant amounting to 8 mln. EUR, of which the 7 mln. EUR will be granted to civil society organisations to implement development projects. The rest of the amount will be related to the expenditures to purchase goods and services. The second agreement provides for a grant amounting to 5 mln. EUR to develop justice, energy sector, transport, education and environmental protection.

December 16

The Board of Directors of the World Bank approved the second Development Policy Operation intended for the Republic of Moldova, the estimated support value being 45 mln. USD. The main purpose is to support the business environment providing a budgetary support which will be used to implement the structural reforms on facilitation and transparency of business environment activity, safeguarding of financial sector stability, efficiency of public investment management including by providing subsidies in agriculture efficiently and equitably.

December 21

The Government of the Republic of Moldova has approved the Draft Law on ratification of the Financing Agreement for Danube Transnational Programme 2014-2020 between the Government of the Republic of Moldova, European Union and Ministry of National Economy of Hungary. The program aims to provide financial assistance to implement innovation promotion projects, knowledge transfer, energy efficiency and entrepreneurship in Danube region and actions for preservations and management of the natural and cultural heritage, development of some safe and sustainable transport systems in our country. The Republic of Moldova will take advantage of 5 mln. EUR, as a grant to finance the projects initiated by the public authorities, non-governmental organisations, educational institutions and Chambers of Commerce and Industry.

December 29

The Executive Board of the National Bank of Moldova has adopted the maintenance of the base rate applied on the main monetary policy operations on short term at the current level of 9.0% annually. At the same time, the interest rates on overnight credits are maintained at the actual level of 12.0% annually and overnight deposits at the current level of 6.0% annually. In the same context, the required reserves norm from means attracted in freely convertible currency is maintained at the level of 14.0 percent of the computation base and required reserves norm from means attracted in MDL and non-convertible currency is maintained at the level of 35.0 percent of the computation base.

EDITION SUMMARY

Production

In 2016 the **gross domestic product** (GDP) has registered a growth trend since the beginning of the year, this growth being expected after a negative dynamics of this indicator from the previous year when the positive annual growth from the first (+4.8%) and second quarter (+2.5%) have had a negative dynamics in third (-3.7%) and fourth quarter (-3.3%), so that the year ended in a negative result of 0.4%. In 2016, according to preliminary calculations of the National Bureau of Statistics, the gross domestic product amounted to 134.5 bln. MDL with an increase in real terms of 4.1% compared to the previous year.

By the resource method, the GDP increased mainly due to the GVA growth in agriculture, the contribution of which was decisive (over 50%) of total increase. Other fields have also contributed to the increase of this indicator such as: wholesale and retail trade; maintenance and repair of vehicles and motorcycles; transport and storage; information and communication; professional, scientific and technical activities and others.

From the point of view of uses of GDP the significant increase (+3.2%) was due to the final consumption of population households (FCPH), and the contribution of gross capital formation (GCF) amounted to 1.5%. The net export of goods and services had a negative contribution (-0.5%).

During the year, the **industrial** production varied around zero scale compared to the previous year, afterward registering a slightly annual increase (+0.9%). The modest results of this branch are determined by the production reduction of mining industry sub-branch by 15.8% which has negatively influenced the general production index (-0.1%) and production of electricity and heat energy, gas, hot water and conditioned air by 1.0% with a negative impact on the general production index of 0.8%. During the reviewed period, manufacturing had a positive development increasing by 1.8%.

In 2016, the global **agricultural** production in all types of households was by 18.6% higher compared to 2015. The increase of the global agricultural production was due to the increase of vegetable production by 26% and livestock production – by 3.1%. The absolute majority of the agricultural crops (except for tobacco and soya) has obtained better yield compared to the previous year. As for the livestock production it can be noticed an increase in meat production of 4.8%, eggs – 7%, however milk production decreased by 0.8%.

In 2016, the **commodities mileage** with all types of transport has increased by 2.3% exceeding 4 bln. tonnes-kilometer. The volume of **transported commodities** amounted to 13.7 mln. tonnes or by 1.6% below the level of 2015. The road transport enterprises have registered increases both in the volume of transported commodities (+4.8%) and their mileage (+8.8%), while railway, river and air transport have recorded decreases in both indicators compared to the previous year.

The volume of **investment in long-term tangible assets** decreased two years running (over 8% and 14%, respectively). In 2016 the volume of investment amounted to 19.4 bln. MDL. From the state budget sources were allocated investment at the level of only 51% compared to 2015.

The turnover for **retail trade** increased by 1.1%, **wholesale trade** – by 3%, and turnover for **market services provided to population** – by 0.6% compared to 2015.

Prices and exchange rates

During 2016, **the consumer price index** has registered a constant decreasing trend, the annual average inflation fell within the limit of the variation range of +/- 1.5 p.p. around the target of 5% annually set by the NBM amounting to 6.4%. The decrease of the consumer price index is due to the low domestic demand affected by the depreciation of the national currency against the major reference currencies and the effects of the monetary policy promoted by the NBM in the last period.

In quarter IV, 2016 the annual inflation rate fell to 2.5%, leaving the lower limit of the variation range targeted by the NBM decreasing by 10.9 p.p. compared to the level registered in the same period of the previous year.

The core inflation had a decreasing trajectory in 2016. During January-December 2016, the annual core inflation rate was of 8.2% sply, by 3.4 p.p. below the level registered in 2015.

In quarter IV of 2016, the core inflation index was of 5.3% sply, by 8.9 p.p. below the level reached in the same period of the previous year. The annual disinflationary rate of the core inflation was due to the low domestic demand and slight appreciation of the national currency against Euro at the end of the year.

In the IV quarter of 2016, other price indices have recorded uneven increases too which had the following developments compared to the same period of the previous year:

- ✓ Industrial production prices index dropped by 6.1 p.p. in comparison with the same period last year and reached the value of 2.8%;
- ✓ in construction sector the prices have increased compared to the level recorded in the similar period of the previous year by 0.7 p.p. and equated to 8.9%;
- ✓ producer prices for agricultural products have decreased by 4.8% compared to the similar period of 2015;
- ✓ growth rate of fuel prices dropped by 3 p.p. and reached the level of minus 0.2%, in comparison with the same period last year.

In quarter IV, 2016 **the average nominal exchange rate** against the major reference currencies amounted to 20.0 MDL/USD and 21.6 MDL/EUR, depreciating in comparison with the same period of the previous year by 0.7% in relation to US dollar and appreciating slightly by 0.7% against the single European currency.

Monetary policy

During 2016 **the monetary policy rates** have been reduced in several phases falling at the end of the year by 10.5 p.p. compared to the level registered at the end of the previous year. At the end of the IV quarter, 2016 the monetary policy rate was of 9%, interest rate on overnight loans – 12% and interest rate on overnight deposits – 6%.

The ratio of minimum reserves requirements remained at the level of the previous year – 35%, by 15 p.p. over the historical maximum of MRR rate recorded in 2008. The ratio of required reserves attracted in convertible currencies remained also unchanged at the level of 14%. This had an impact on economy by decreasing the volume of bank lending and reducing the accessibility of financial resources for the real sector.

At the end of 2016, **the stock of official reserve assets** has registered higher values compared to the data recorded at the end of December, 2015 by about 0.45 bln. USD. At the end of quarter IV,

2015 the balance of the official reserve assets amounted to 2.21 bln. USD, registering an increase of 25.6% sply.

In 2016, the growth rate of all *money supply components* has returned to positive values after two years of volatile developments prevailing negative due to the partial relaxation of the monetary conditions. A more significant contribution to the increase of money supply have had the components of M1 monetary aggregate, especially demand deposits in national currency.

Public finances

Compared to the previous year, in 2016 the situation of the public finances is characterized by a relative stabilization. Thus, the *NPB revenues* had an upward character totaling 45946.9 mln. MDL and recording an increase of 5.24%. This increase was supported by the collection of taxes and fees amounting to 29231.0 mln. MDL with a weight of 63.6% of total revenues, contributions and insurance premiums equating to 13271.1 mln. MDL or 28.9% respectively, grants with 1373 mln. MDL or 3%, and other revenues with 2071.8 mln. MDL, respectively 4.5%. It can be noticed that the value of grants in 2016 was the sole decreasing parameter, the NPB collecting by 694.7 mln. MDL less compared to the previous year.

The greatest revenue generator for the state budget in 2016 was the Customs Service. The revenues managed by this institution amounted to 17 476.1 mln. MDL, by 10.4% more compared to 2015. The collections of the Tax Service have also increased by 9.5%, totaling 11 548.6 mln. MDL compared to 2015.

The NPB expenditures in 2016 increased in comparison with the similar period by 4.04%, amounting to 48434 mln. MDL. The distribution of the NPB expenditures by chapters reflects a social direction of the budget. Hence, social protection received 35.64% of total expenditures by 9.98% more compared to last year with a weight of 35.64%, health care – 13.43%, education – 17.67%, integrating culture, youth and sport – 2.43%, totaling a weight of 69.2%.

The execution of the national public budget in the budget year 2016 has resulted in a *deficit* amounting to 2487.1 mln. MDL, decreasing by 8.39 % compared to last year. This is the first time in the last three years when the budget deficit is reduced.

The balance of total public debt expressed in lei on December 31, 2016 amounted to 59371.9 mln. MDL, increasing by 16102,6 mln. MDL or 37,2% comparing to the end of 2015. According to the GDP ratings for 2016 the weight of public sector debt on December 31, 2016 amounted to 44,2%, against GDP by 8.8 p.p. more than the weight recorded at the end of 2015. The increase in the balance of the public sector debt is determined by the rise of the state debt balance by 17276.6 mln. MDL, of which 13583.7 mln. MDL in consequence of the government bonds issuance in accordance with the Law on government bonds issuance of September 26, 2016 in order to execute the payment liabilities derived from the State guarantees from 2014-2015 by the Ministry of Finance.

The funds balances in the accounts of the state budget, in contrast with the beginning of the year have increased by 992.1 mln. MDL and on December 31, 2016 amounted to 3298.5 mln. MDL, including 1180.8 mln. MDL of projects funded by the external sources. It can be mentioned that in 2016 the Republic of Moldova managed to conclude a new funding memorandum with IMF so that in November this year in the foreign currency accounts of the Ministry of Finance opened in the National Bank of Moldova were collected funds provided by the International Monetary Fund in loans to finance the state budget deficit consisting of 24.1 mln. USD. In December, 2016 in the foreign currency accounts of the Ministry of Finance opened in the National Bank of Moldova were allowed funds provided by the European Commission in the form of grant amounting to 45.3 mln. EUR, from the World Bank in loans provided for the implementation of the structural reforms and funding the state budget deficit consisting of 48.5 mln. EUR. The flow of the external debts amounted to 2016 4646.3 mln. lei in the form of returns

during the year and 1153.8 in the form of payments for the debt service from the previous year. The net balance of returns from external sources amounted to 3492.5 mln. MDL.

Banking sector

During 2016 there are registered improving trends in the financial situation in the banking field. After an uncertainty and instability situation from 2015 caused by the bankruptcy of three banks one of which systemic, in 2016 there is observed an increase of 3.86% in the bank asset reaching the value of 72942.18 mln. MDL at the end of 2016. The total amount of the bank asset as a GDP value amounted to 54.97%, with an increase of 2.48 p.p. against December 2015. At the same time it is attested an increase in the assets quality, the risk-weighted ones having a decreasing trend of 8.86% during 2016.

The asset structure in banks highlights the *high degree of concentration* registered in the national banking system. The value of the first 5 banks from the system accounts for 83.45% of total and of those 3 banks under special supervision which are also the first 3 according to the assets amount is of 64.22%.

Against the slow growth of bank assets, the balance of loans in economy decreased considerably – by 8.92% against December 31, 2015, leading to the conclusion that the bank assets advance from the liquidities account. *The decreasing trend of loans is linked to their migration from national currency into hard currency.* The weight of loans in national currency has reduced by 0.64% during 2016. The amount of loans provided to individuals and legal entities has rhythmically dropped but those provided to legal entities declined faster (by 3862.2 mln. MDL or 13.4%) than those for individuals (0.46 mln. MDL), leading to the decrease of lending rate of the real economy. We consider the following reasons of the bank lending decrease:

- attenuation for loan demand due to a period of economic instability which does not encourage the legal entities to invest in the created uncertainty situation;
- limiting monetary policy which kept a high level of liquidities in the bank accounts due to the ratio of required reserves of 35% of the balance of attracted deposits.
- reduced return of loan operations in comparison with the interest rates to the state securities (SS). During 2015-2016 the net risk rate for loans is negative which means that the interest rate on loans is lower than the interest rate on SS. In these conditions the banks were motivated to invest on the state loan market given the opportunity to achieve revenues from services and bank products, others than the loans;
- low level of capitalization which within the limit imposed by the regulation acts does not allow banks to take higher risks and this declines considerably the firms which can have access on loans;
- decreasing return of intermediation activity which reached a banking margin from 7.11% in 2015 to 5.6 in 2016, and the difference between the interest rates on loans and deposits (average values) reached from 5.3% in 2015 to 2.18% in 2016.
- abatement of ability to assimilate the loans in real economy, decrease of reimbursement ability and debtors solvency. This conclusion is supported by the growth rate of non-performing loans.

However, at present the stability of the banking system at least assessed in financial parameters is out of any danger given the fact that the average of the risk-weighted capital adequacy in the banking sector continues to be maintained at a high level. Thus, the coverage level of TRC (Total Regulatory Capital) of the risk-weighted assets for 11 banks in the sector, on December 31, 2016 registers the value of 30.08%, (increasing by 3.92 p.p. compared

to December 2015) indicating a prudential approach of the operational activity of the domestic banks which are intended for maintaining a high volume of regulated capital against the level of assumed risk.

External sector

Balance of payments. In 2016, the current balance account of the balance of payments has decreased by 33.3% compared to 2015 registering a deficit of 276.6 mln. USD. The improvement of the current account development was determined by a 61.9% increase in services followed by a 3.2% rise in secondary revenues and a 1.5% decline in the external trade in goods deficit. Compared to 2015, the weight of current account deficit against GDP was of 4.1%, by 2.3 p.p. less compared to 2015.

The investment activity of the Republic of Moldova has showed a decrease during the last years. In 2016, the net inflow of foreign direct investment in the national economy has dropped by 21.5% compared to 2015. The net inflow value of foreign direct investment in the national economy amounted to 143.2 mln. USD. The net inflow of foreign direct investment against GDP amounted to 2.1%.

The volume of remittances from abroad has recorded the lowest level from the last ten years. Though, the volume of remittances from abroad has considerably decreased, the remittances from Russia in favour of individuals are placed at the top, Israel second, Italy third and USA fourth. In 2016, the volume of remittances from abroad in favour of individuals decreased by 4.5% in comparison with last year.

The external trade in goods in 2016 has showed a 1.8% increase in contrast with last year. **The exports of goods** amounted to 2045.3 mln. USD, increasing by 4% as against 2015. **The imports of goods** accounted for 4020.3 mln. USD increasing by 0.8%.

During the last years, the geography of exports went through important changes. The geographical structure of exports has fundamentally changed: the weight of exports to CIS countries decreased from 40.5% in 2010 to 20.3% in 2016, while the weight of exports to EU increased from 47.3% in 2010 to 65.1% in 2016.

In 2016, the great gap between the development of exports and imports led to the formation of a **deficit in the balance of trade** of 1975 mln. USD, by 45 mln. USD or by 2.2% lower compared to 2015 (2020 mln. USD).

Business environment

In the IV quarter of 2016 **the number of enterprises registered** by the State Registration Chamber diminished insignificantly compared to the same period of the previous year, the index being 92.9%. Globally, the number of enterprises registered in 2016 has marked a 5.3% decrease in comparison with last year. Thus, according to the data of the State Registration Chamber in 2016, there were registered 5673 new enterprises in the State Register.

During the period 2015-2016, against the decline in the number of registered enterprises, a negative signal is the continuation of the growth trend in the number of deregistered enterprises. So, in 2016 **the number of deregistered enterprises** amounted to 4055 units or by 3.8% more than in 2015.

Social sector

Demographic situation. 2016 is characterized by a decrease in several natural movement indicators such as the number of live births, deaths, marriages, divorces in most regions of the country. The infant mortality has reduced, in particular due to the Center and Northern regions.

The weight of malignant tumors has increased and the diseases of the circulatory system has been reduced among the causes of death. The natural decline remained at the level of previous year.

Labor market. In 2016 the indicators on economic activity of workforce such as economic active population, employed population, activity rate, employment rate did not change significantly compared to the previous year. However, the number of unemployed declined (according to ILO) which has the lowest value from the entire period of 2010-2016, except 2014, while the employed population in 2016 reached the highest level from the last 7 years.

Labor remuneration. 2016 is characterized by unessential declines and rises in the indices of the salary in real terms during the period January-July 2016 and in August-December 2016 – significant increases – a contrary situation compared to 2015. At the same time during 2016 the difference between the average nominal salary in real sector and the average nominal one in budget sector continued to increase, hence in January 2016 the difference amounted to 587.1 MDL and in December 2016 2155.7 MDL in comparison with 2015. At the end of 2016 the highest salaries were in Financial and Insurance Activities against January 2016 when on the first place was Information and Communication Activity. Among the most paid activities were also Production and Supply of electricity, heat energy, gas, hot water and conditioned air.

Disposable monthly revenues of the population in 2016 amounted to 2060.2 MDL on average per capita increasing by 5.3% compared to 2015. In real terms the revenues of the population have recorded an increase of 1%. In the first 3 quarters since the beginning of 2016 it is noticed a rise in the disposable revenues of the population in nominal value and a reduction in the last quarter of the year. Q II of 2016 was the only quarter which had a decrease in the monthly revenues of the population in nominal value of all quarters of the last 4 years in comparison with the revenues of these quarters of the previous years. However, in real terms in quarter I of 2016 the revenues had a drop compared to s.p.l.y. and in Q II the revenues had an increase. In the following quarters of 2016 the growth rate was reduced, thus Q IV indicated a decrease in the revenues compared to Q IV, 2015.

Average monthly consumption expenditures of the population in 2016 on average per capita amounted to 2116.8 MDL rising by 3.3% against 2015. In real terms, according to the consumer price indices on average the population spent by 2.9% less compared to the previous year. In 2016, the consumption expenditures in real terms have registered decreases compared to 2015 which accentuated in Q II and Q IV.

Social protection of population. According to the data of the National Social Insurance House the number of pensioners registered with the social protection bodies as of January 1, 2017 amounted to 691.2 thousand pers. or by 11.3 thousand pers. more compared to January 1, 2016. The average amount of the monthly pension set on January 1, 2017 accounted for 1275.2 MDL, increasing by 9.4% in comparison with January 1, 2016.

Subsistence minimum. According to the data provided by the NBS in 2016 the amount of the subsistence minimum on average per capita amounted to 1799.2 MDL per month, increasing by 3.8% compared to s.p.l.y.

Chapter I

PRODUCTION¹

Gross domestic product

After the failures of 2015, with serious consequences for the country's economy, the next year has proven to be more favourable and stable both from socio-economic and political point of view. 2016 was also one of the best years for agricultural sector having a beneficial influence on other branches and fields of the national economy. In 2016, according to the preliminary calculations of the National Bureau of Statistics the value of the **gross domestic product amounted to** 134.5 bln. MDL, with a growth in real terms of 4.1% against previous year.



Figure 1.1. GDP dynamics in 2008-2016 (%)

Source: Compiled by author according to the data of the NBS.

The quarterly dynamics of GDP was up quarter-on-quarter against the opposite trend of the last year.

Table 1.1. GDP dynamics in 2016

	Q. I	Q. II	Q. III	Q. IV	Year
GDP, bln. MDL (quarterly)	27.1	31.4	39.7	36.2	134.5
In % compared to the same period of the previous year (quarterly dynamics)	100.8	101.8	106.3	106.5	104.1
GDP, bln. MDL (cumulative)	27.1	58.5	98.2	134.5	X
In % compared to the same period of the previous year (cumulative dynamics)	100.8	101.3	103.3	104.1	X

Source: According to the data of the NBS.

Contribution to the increase and formation of the main macroeconomic aggregate in 2016 was determined by the following branches and activities of the national economy:

- *Agriculture, forestry and fishing* have contributed to the GDP increase by 2.2% and by 12.2% – to its formation;

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

- *Manufacturing industry in common with mining industry*, production and supply of electricity, heat energy, hot water and conditioned air have contributed by 0.3% to the GDP increase and by 15.1% – to its formation;
- *Retail and wholesale trade*; maintenance and repair of vehicles and motorcycles; transport and storage have contributed by 1.2% and 19.4%, respectively;
- *Construction activity* has contributed negatively (-0.2%) to the GDP increase and by 3.3% to its formation;
- *Other activities* have negatively contributed by (-0.4%) to the GDP increase and by 36.7% to its formation;
- *The services of financial intermediaries* indirectly measured have contributed by 0.9% to the GDP increase and by (-1.5%) to its formation;
- *Net taxes on products* have contributed by 0.1% and by 14.8% respectively.

It should be noted that the contribution of agriculture, forestry and fishing branch was crucial to the GDP increase bringing over 50% to the total increase of this indicator though the branch weight to the GDP formation slightly exceeds 12%.

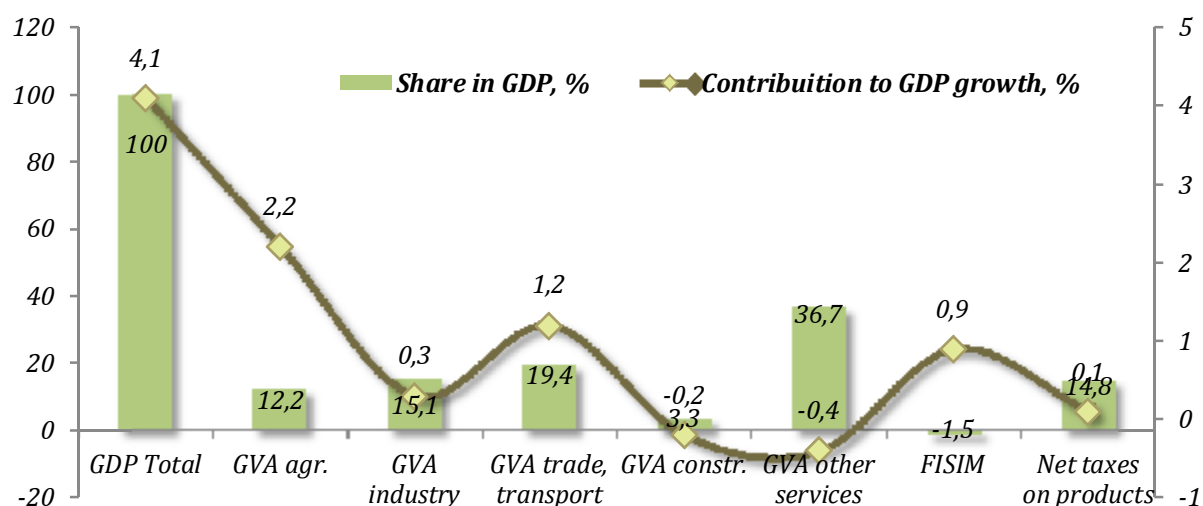


Figure 1.2. Contribution of the resources components to the GDP formation in 2016, %
Source: According to the data of the National Bureau of Statistics.

On the uses, the main contribution to the GDP growth (+3.2%) and its formation (86.7%) has had the *households final consumption and contribution of general government final consumption* (GGFC) to the GDP increase was of 0% and to its formation – 19%. As a whole, *the total final consumption* exceeded the GDP volume by 7.6 bln. MDL, or by 5.7% and as in the previous years it is attested that the country consumes more than it produces.

The contribution of *gross fixed capital formation* (GFCF) to the GDP growth was negative (-0.7%), contributing to its formation by 22.3%. It should be noted that the GDP growth on *gross capital formation* by 1.5% and 22.5%, respectively was entirely produced of the *stock variation* contributing by 2.2% to GDP growth and 0.1% – GDP formation which is a reduction in the fixed capital accumulation by about one billion lei in comparison with the previous year.

As in the previous years, *the net export of goods and services* was critical with a negative contribution to the GDP formation (-0.5%) but it should be mentioned that there was a decreasing trend of this gap due to the exports of goods and services growth by high rates (+8.8%) imports of goods and services (+5.9%) recorded in 2016 and 9% and 5.8%, respectively annual averages during the period 2010-2016.

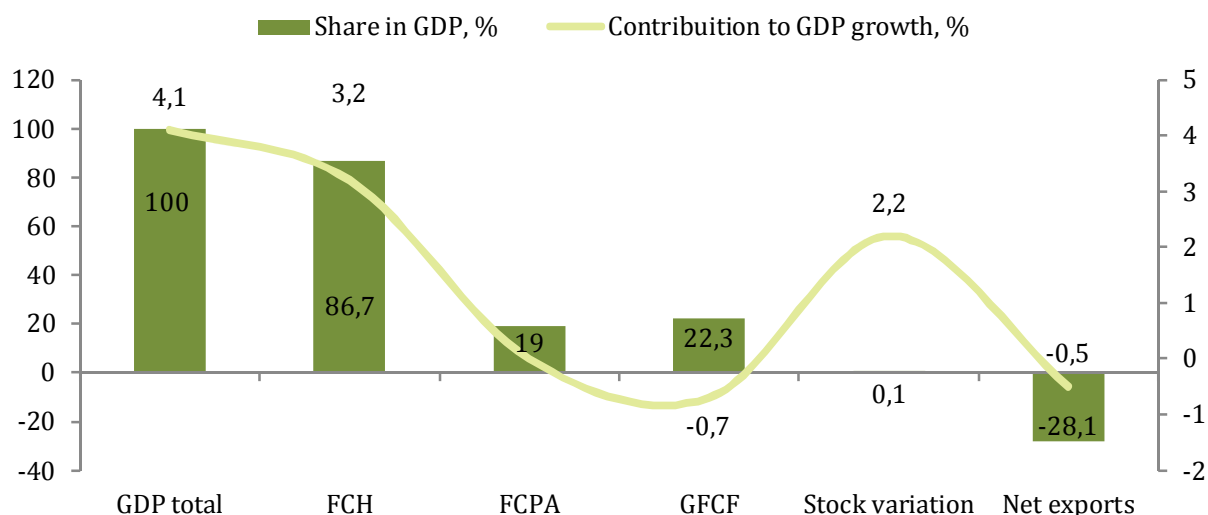


Figure 1.3. Contribution of the components by use to the GDP growth and formation in 2016, (%)

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

Since 2008, the GDP dynamics was instable. During these years (2009-2016) with the exception of crisis year (2009) there were two more years with an economic decline – 2012 and 2015. And if in the first case the main cause of decline was the reduction of agricultural production by about 22%, then in the second case the GDP reduction was determined by the distortions from the financial system – banking and monetary, their negative impact is still continuing. As a result, the average rate of economic growth from the reference period accounted for 3%, while in other eight previous years (2001-2008) the average annual growth rate was of 6.3%. Taking into account the level of economic development of our country at present it is necessary to ensure in future an average growth rate not lower than 7-8% annually.

Industry

During 2016 the industrial production dynamics compared to the previous year was very uneven fluctuating month after month (from +10% in April to -6.2% in May) the general line oscillating around zero scale and only a leap of 8.7% in the last month of the year made it possible that the entire year to end in a slight increase – of 0.9%.

The low results of this branch are determined by the production cuts in *mining industry sub-branch* by 15.8% which has negatively influenced the general production index by 0.1% as well as the production of *electricity, heat energy, gas, hot water and conditioned air* which were reduced by 1.0% and has negatively influenced on the general production index by 0.8%. *The manufacturing industry* had a positive increasing dynamics registering 1.8%, the *food industry* had also a growth of 1%. (Fig. 1.4)

The main contribution to the industrial production formation continues to be the manufacturing industry which in 2016 held a weight of 87.6% in the total volume of the sector. In 2016 there were produced and delivered higher production quantities of the following types compared to the previous year: production, processing and conservation of meat and meat products – by 3%; processing of dairy products – by 6.1%; manufacture of textile products – by 31.8%; manufacture of clothing items – by 15.1%; manufacture of chemicals – by 17.2%; manufacture of furniture – by 27.5% and others. The production volume decreased in the manufacture of: electrical equipments – by 17.4%; production of rubber and plastics – by 5.5% and others. The weight of production delivered on the external market amounted to 36.5% of the total delivered production against 33.7% in the previous year.



Figure 1.4. Index of industrial production in 2008-2016 (%)

Source: Compiled by author according to the data of the NBS.

The industrial production from the last 8 years (2009-2016) has registered a growth of 12.8%, or an annual growth rate of 1.5%. A decisive impact on the growth rate was the collapse of this indicator in the crisis year 2009 by 21.1%. Since 2010 it can be observed that the growth rate is much higher – 5.3%. However, the development of industrial production from the last two years (2015, 2016) represents that this branch got into a stagnant phase proving the branch progression by only 1.5% in these two years.

Agriculture

In 2016, the volume of *global agricultural production* in all households was up by 18.6% to that from the previous year. The growth of global agricultural production was determined by the increase of vegetable production by 26 % and livestock production – by 3.1%. Better yields were achieved in the most of agricultural crops (excepted tobacco and soya) compared to 2015. It should also be mentioned that the global agricultural production achieved in 2016 exceeds by 2.2% the record production from 2014, being also the highest one registered after 1990. As concerns the livestock production it is attested a growth in meat production by 4.8%, eggs – by 7% while milk production has reduced by 0.8% compared to last year.

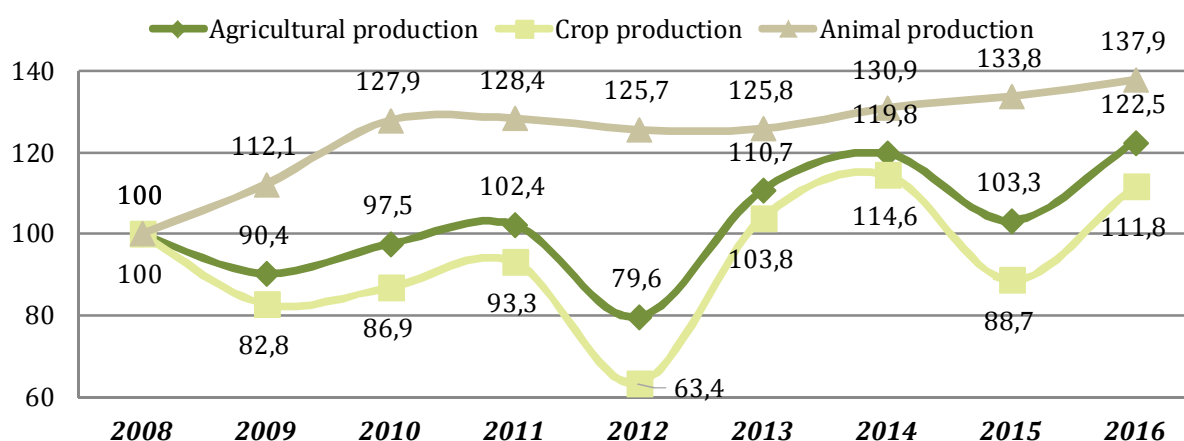


Figure 1.5. Dynamics of agricultural production volume in 2009-2016 compared to 2008, %

Source: Compiled by author according to the data of the NBS.

The impact analysis of different types of production on the global agricultural production volume shows that a great positive influence in 2016 has had the increase in the production of

cereal crops and pulses, their contribution amounting to 8.1% of total production growth, sunflower – 4.5%, potato and vegetables – 1.8%, fruits – 1.5%. Thus, the cereal crops and pulses in common with sunflower have had a weight of 2/3 on the increase of agricultural production. The livestock production showing an increase of 3.1% in the volume of production contributed by 1% to the increase of production.

The yield of 2016 is characterized by the significant increase of vegetable production which was generated by the growth of average yield of agricultural crops as a result of the favourable weather conditions of this year, not to mention other aspects. Yearly, in order to raise the level of agri-technical crop and soil fertility there are allocated higher investment and grants. Only chemical fertilizers under the harvest of 2016 were introduced by 50 kg per a hectare of crops or by 9% more than in 2015, and the fertilizer area arose by 11%. Thus, the global yield of cereal crops increased by 772 thousand tonnes or by 35% more, sunflower – by 188 thousand tonnes (by 39%), potatoes – by 56 thousand tonnes (by 35%), vegetables – by 47 thousand tonnes (by 19%), fruits – by 105 thousand tonnes (by 22%) and others compared to the previous year.

Although, the results achieved in the agrarian sector especially in the last 4 years are quite concrete though the agricultural sector is still far to realise its full potential. Thus, in the richest year (2016) the global volume level of the agricultural production is barely approximating 70% of the level of 1990 and this speaks forcefully about the reserves which are hidden in this branch.

Trade and other market services

In 2016 **the turnover of retail trade** (excepting vehicle and motorcycle trade) showed an increase by 1.1%, against 2015. The turnover of vehicle and motorcycle trade increased by 20.6% (at current prices). **The turnover of wholesale trade** (excepting vehicle and motorcycle trade) increased by 3.0% (at current prices). **The turnover for market services provided to population** arose by 0.6%, and the turnover for market services provided mainly to enterprises went up by 1.9%. The turnover of retail trade advanced only due to the fact that in December 2016 against December 2015 a 12.1% increase was recorded.

Investment in long-term tangible assets

The volume of **investment in long-term tangible assets** reduced the second consecutive year. In 2016, the volume of investment amounted to 19.4 bln. MDL (at current prices), showing a 13.9% decrease (at current prices) in comparison with 2015. The value of investment has diminished compared to the previous year as follow: residential buildings – by 20.6%; other buildings and edifices – by 3.9%; equipment, machinery – by 21.6%; means of transport – by 9.3%. The highest weight (34.3%) of total investment belongs to investment in equipment and machinery.

The own resources of investors amounted to 12.6 bln lei or 64.9% of total, budget sources – 1.8 bln. MDL (9.4%),– foreign sources – 1.5 bln. MDL (7.7%) and other sources – 3.5 bln. MDL (18%) of total volume of investment. There have been allocated investment of only 51% of the state budget sources compared to 2015.

In 2016, 5.4 thousand dwellings with a total area of 497.5 thousand m³ were put into service or by 18.4% less compared to the previous year. 3947 building permits for constructions were issued or by 8.5% less compared to 2015.

The volume of works carried out by the organizations with entrepreneurial activity amounted to 8.2 bln MDL, or by 8.4% less than in 2015. According to the structure elements of carried out works prevails the execution of new constructions which were achieved in volume of 4.6 bln.

MDL, with a weight of 56% of total volume of carried out works declining by 8.3% compared to the previous year. Capital and current repairing works amounted to 3.3 bln. MDL, decreasing also by 8.5%.

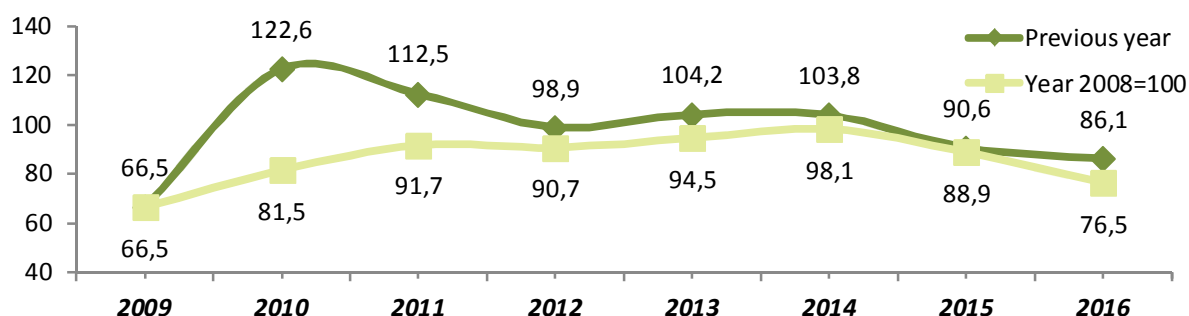


Figure 1.6. Dynamics of investment in long-term tangible assets in 2009-2016

Source: Compiled by author according to the data of the NBS.

After being reduced by about a third in the crisis year (2009) compared to the previous year gradually the investment in long-term tangible assets began to recover from the gap, closing of one hundred percent (in 2014 – 98.1%). However in the following two years these were reduced by 9.4 and 13.9 percentage, respectively as a result of the considerable worsening of the investment climate related to the billion dollar theft and the catastrophic consequences that followed.

Transports

Transport of commodities. In 2016, the railway, road, river and air transport enterprises have carried commodities in volume of 13.7 millions tonnes or by 1.6% below the level of 2015. The mileage of commodities by all modes of transport increased by 2.3% and exceeded 4 bln. tonnes-km. The road transport enterprises have increased both in the volume of transported commodities (+4.8%) and their mileage (+8.8%), and the railway, river, and air transport ones have decreased on both indicators compared to the previous year.

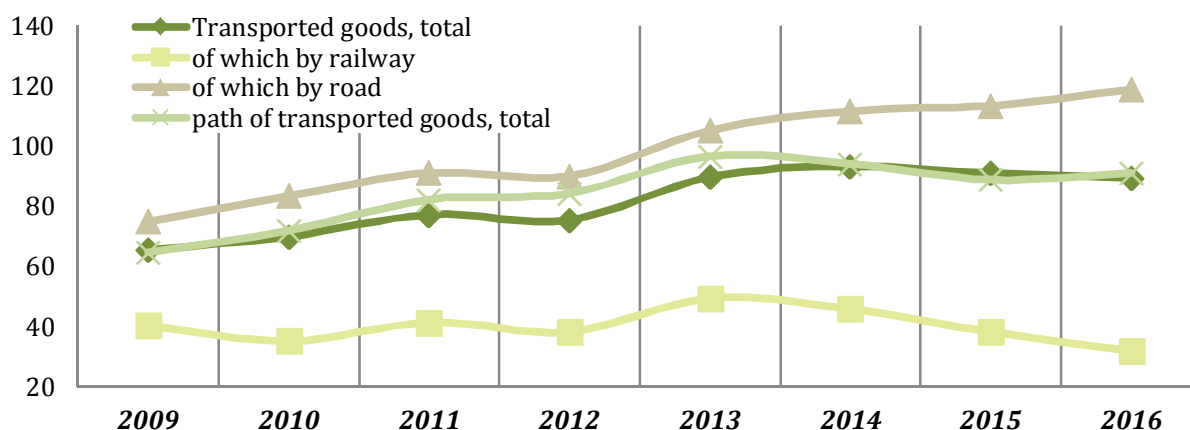


Figure 1.7. Dynamics of transports by main modes of transport compared to 2008, %

Source: Compiled by author according to the data of the NBS.

In 2016, the number of transported passengers by all means of transport has reduced by 0,3%, and their mileage increased by 4,3%.

Table 1.2. Mileage of passengers by modes of transport in 2016

	Transport of passengers		Mileage of passengers	
	Mln. passengers	In % against 2015	Mln. passengers-km	In % against 2015
Total	247.9	99.7	5291.4	104.3
Of which: railway transport	2.3	69.1	121.5	67.2
buses and minibuses	101.9	99.3	3000.8	105.9
air transport	1.1	104.0	1651.3	107.0
Taxis	4.7	95.9	102.1	101.6
Trolley buses	137.7	100.8	415.4	100.5

Source: Compiled by author according to the data of the NBS.

Tourism

In 2016, **the number of tourists** accommodated in collective tourist accommodation establishments totaled 306.3 thousand persons of which about 60% were represented by Moldovan tourists and about 40% – by foreign tourists (non-residents). Compared to 2015 the number of tourists accommodated in collective tourist accommodation establishments increased – by 9.8%, in touristic and agro-touristic pensions – by 2.3 times, hotels and motels – by 21.8%. The number of tourists accommodated in holiday structures decreased – by 14.4%, hotels for visitors – by 13.2%, holiday camps for pupils – by 10.4%. In the collective tourist accommodation establishments there were recorded 1484 thousand overnight stays or by 1.7% less against 2015. The travel agencies and tour operators provided tourist services to 234 thousand tourists and excursionists or by 3.4% less compared to 2015. In 2016 the number of state border crossings entering the country by foreign citizens amounted to 3.4 millions by 18.9% more than in 2015 and the number of crossings by our citizens leaving the country totaled 5.8 millions by 3.6% more than in 2015.

Situation in the region of the Republic of Moldova from the left of the Dniester river and Bender² municipality

In 2016 **the transnistrian economy** continued to contract on the main macroeconomic aggregates as in 2015.

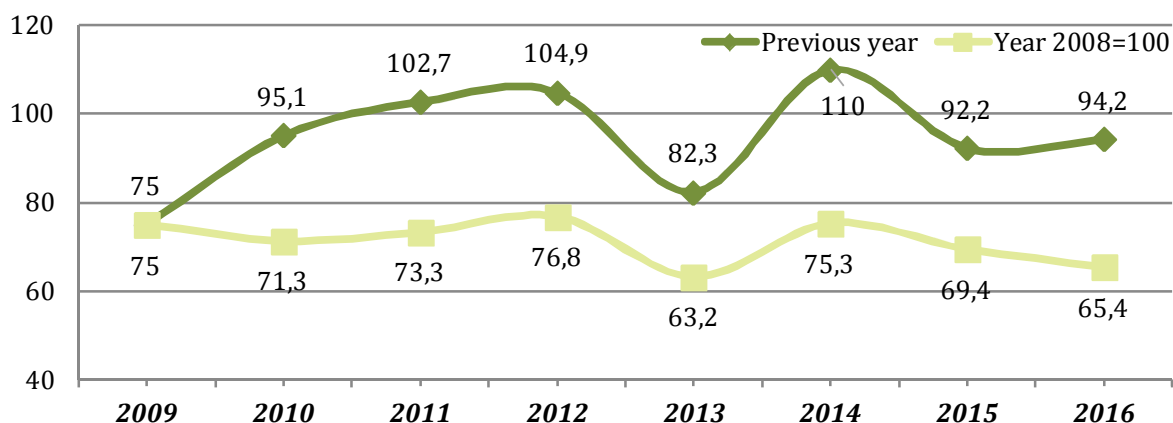


Figure 1.8. Annual dynamics of industrial production index 2009 -2016, (%)

Source: Compiled by the author based on the data of the official statistical authority of the Transnistrian region

² According to the data of the statistical authority from the transnistrian region: <http://www.mepmr.org/gosudarstvennaya-statistika/informacziya> Because of the partial implementation of the international standards in compiling official statistics by the statistical authority from the transnistrian region, as well as reduced access to metadata, data comparability with those prepared by the NBS is limited and difficult to assess.

The industrial production index for 2016 in the *region from the left part of the Dniester river and Bender municipality* amounted to 94.2% in comparison with 2015 according to the information disseminated by the statistical authority of the Transnistrian region. Thus, the volume of industrial production went down to the level of 65.4% of that of 2008. The decrease from this year was determined by the activity contraction in the most industrial branches. The electroenergetics (with a weight of 48% of total industry) showed volume decreases of 2.5%, iron industry – of 29.4%, manufacture of machinery and metal working industry – of 4%, milling and fodders production – of 14.3. Compared to the previous year there were recorded increases in the chemical industry (by 38.9%), building materials industry (by 21.2%), light industry (by 10.4%), food industry (by 3.4%).

In 2016, the volume of **investment in fixed assets**³ realised in the region to the left of the Dniester river and Bender municipality was also down amounting to 77.9% compared to that of the previous year or 48% of the level of 2008. The resources for investment in machinery, equipment, means of transport (58% of total investment) decreased by 13.6% and the investment in construction assembling works declined by 30.4%. Enterprise works were realised at the level of 65.9%. 41.2 thousand m² of dwelling space were put into service by 48,5% more than in 2015.

2016 distinguished by rich yields in all agricultural crops. By 44.8 centners cereals and pulses of which wheat – by 45.1 centners, corn – by 57.1 centners, other crops: sunflower – 20.7 centners; potatoes – 281 centners; fruits – 84.1 centners and others were harvested from one hectare. Thus, compared to 2015 there were accumulated by 40.8% more production of cereals and pulses, by 44.8% – sunflower, by 24.1% – vegetables, by 14.4% – potatoes. Beef and poultry (in live weight) were achieved by 35.5% more compared to 2015 while the milk was produced by 9.4% and eggs – by 78.7% less.

Commodities were transported by 22.1% more and the mileage of commodities was by 25% higher than in 2015. Also, passengers were transported by 1.7% more. There were recorded contractions in the retail trade turnover (-0.7%) and in the sector of services provided to population it is attested a 0.7% increase.

³ Industrial enterprises, excepting the small business sector.

Chapter II

PRICES, EXCHANGE RATES AND MONETARY POLICY

2.1. Prices and exchange rates

Prices

During 2016, the consumer price index has registered a constant decreasing trend, the annual average inflation fell within the limit of the variation range of ± 1.5 p.p. around the target of 5% annually set by the NBM amounting to 6.4%. The decrease of the consumer price index is due to the low domestic demand affected by the depreciation of the national currency against the major reference currencies and the effects of the monetary policy promoted by the NBM in the last period. In the same period there were recorded the following increases for the CPI components: food products – 7.4%, non-food products – 6.3%, services – 4.9%.

In the IV quarter of 2016 the annual rate of inflation fell down to 2.5% leaving the lower limit of the variation range targeted by the NBM decreasing by 10.9 p.p. compared to the level registered in the same period of the previous year. The monthly developments show a slightly decrease of the annual rate of inflation, the growth rate of prices in October, November and December 2016 being of 2.5%, 2.6% and 2.4% sply.

In the first months of 2017 the CPI changes its trajectory registering slightly increases representing in January and February this year 3% and 4.7%, respectively.

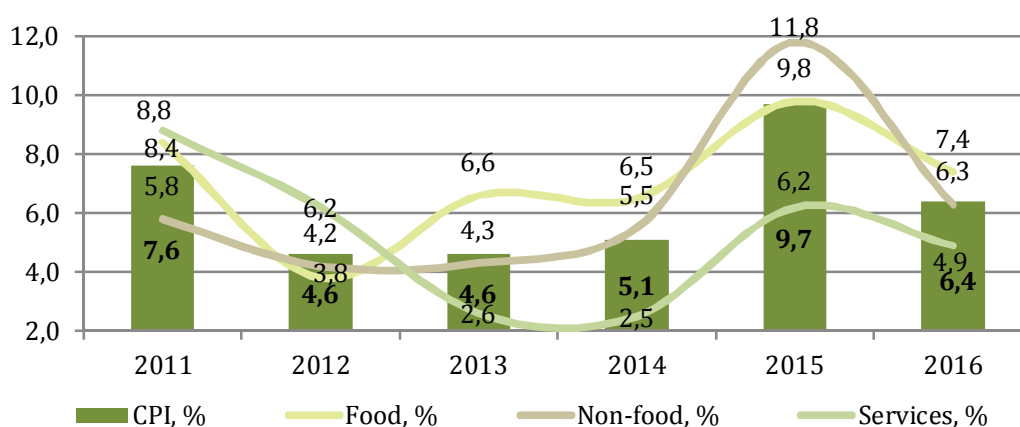


Figure 2.1.1. Annual growth rate of CPI and its components, %

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

In quarter IV of 2016, the consumer price index of food products increased by 3.2%, decreasing compared to the value of the same indicator in the same period of 2015 by 10.9 p.p. In monthly expression, compared to the same period of the previous year there were recorded the following increments: in October – 3.5%, in November – 3.2%, in December – 2.8%. In this period, the most significant price rises were registered for eggs by 14.1%, sugar by 9.7%, soft drinks by 8% etc. Price drops were recorded for vegetables – by 4.3%, more significant to onion – by 55.8%, cabbage – by 36.3%, carrot – by 27.0%, potatoes – by 27.8%. The prices for food products decreased in quarter IV of 2016 especially due to the rich agricultural yield from this year.

The prices for non-food products in quarter IV of 2016 rose by 3.5% sply, declining by 10.3 p.p. compared to the value of this indicator in the same period of 2015 (in monthly expression compared to the same period of the last year the rises were of: 3.9% in October, 3.5% in

November and 3.2% in December). Price boosts were recorded for the most groups of non-food products. The highest price rates were recorded for footwear – 10.4%, dry goods items – 9.5%, garment – 5.7%, hosiery – 5% etc. The price rise for non-food products is a direct consequence of the period of national currency depreciation which has an impact on both the prices for imported products and the domestic ones produced of imported raw material.

The services price index has registered a slower growth accounting for – 0.2% in quarter IV of 2016 sply. In monthly expression, compared to the same period of the last year there were recorded the following developments: in October – (-)0.5%, in November – 0.6% and in December – 0.5%. During the reference period, compared to quarter IV of the previous year the highest price rises were registered in breeding and education – by 8.6%, in tourism – by 7.8%, in food service – by 4.9% etc. As a result of the rate increase for the central heating and hot water the prices of these two services rose by 7.1% and 8.2%, respectively sply. At the same time, during this period there were also recorded price drops especially for natural gas in the grid – by 12.5% and electricity – by 9.9% sply.

Since the beginning of 2016 the core inflation has also followed a downward trajectory. During January – December 2016, the annual rate of core inflation was of 8.2% sply by 3.4 p.p. below the level recorded in 2015.

In quarter IV of 2016, the core inflation index was of 5.3% sply, by 8.9 p.p. below the level reached in the same period of last year. In monthly expression, the growth rate of core inflation has registered the following increases: in October – 5.9%, November – 5.6% and December – 4.5% sply. The annual disinflationary rate of core inflation was caused by the low domestic demand and slight appreciation of the national currency against Euro at the end of the year.

Prices for industrial production slow down during 2016. The annual growth rate of IIPP amounted to 4.5%, by 1.8 p.p. below its value for the same period of the previous year.

In the IV quarter of 2016, the annual index of industrial production prices has diminished by 6.1 p.p. and recorded the value of 2.8% compared to the same period of the previous year. The production price indices were also reduced for each economic activity as follow: in mining industry by 2.5 p.p. to 2.1%, in manufacturing industry by 6.6 p.p. to 2.6% and in energy sector by 2.4 p.p. to 4.4% sply. The greatest impact on decreasing development of the industrial production price index has prevalingly had the price drop in the manufacturing industry branches.

During this period, the highest price increments in manufacturing industry were recorded for sugar manufacture activities – by 13.6%, macaroni, noodles, couscous and other similar products manufacturing – by 7.1%, print and reproduction of records – by 6.8% compared to the same period of the previous year.

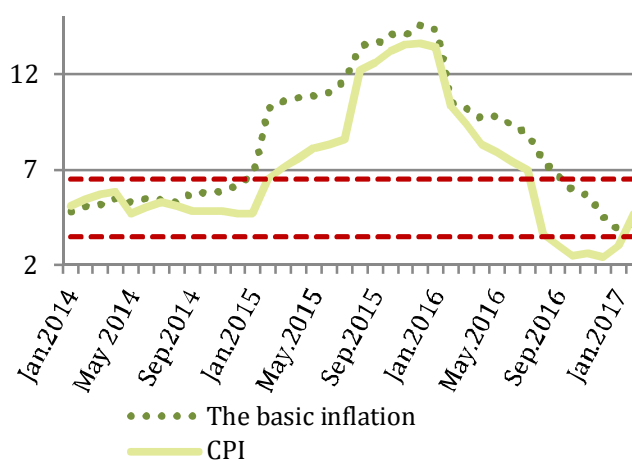


Figure 2.1.2. Annual growth rate of CPI and core inflation, %

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

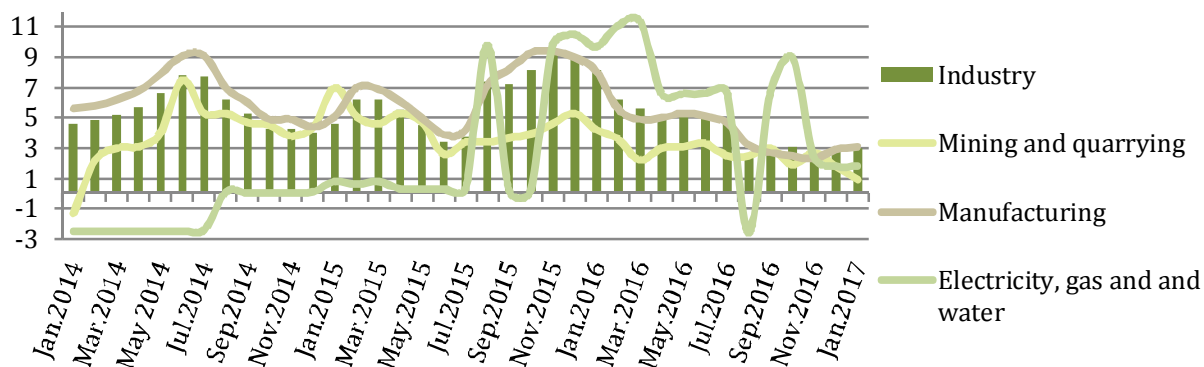


Figure 2.1.3. Annual growth rate of industrial production prices and its components, %

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

In 2016, the prices in constructions have registered a slightly increasing trend. In 2016, the growth rate of prices in constructions amounted to 8.6%, by 0.6 p.p. more sply and in quarter IV of 2016 it increased by 0.7 p.p. and accounted for 8.9% compared to the level recorded in the same period of the previous year.

In 2016, the prices for agricultural products diminished slowly as a result of the rich yield in agriculture, their growth rate being of minus 3.4% sply by 25.9 p.p. below the level recorded in 2015. In quarter IV of 2016, the producer prices for agricultural products decreased by 4.8% compared to the same period of 2015. The highest contribution to the price drops for agricultural products had the vegetable products prices which fell down by 7.3%, decrement canceled slightly by the livestock products prices which increased by 13.8% compared to the same period of the previous year. There were recorded price boosts for cucumbers – by 55.2%, grapes – by 21.7%, sunflower seeds – by 37%.

Fuels price mitigated slightly its growth rate. In 2016 the growth rate of fuel prices was minus 2.2% by 6.7 p.p. below the level registered in the same period of the previous year. In quarter IV of 2016 the growth rate decreased by 3 p.p. and reached the level of minus 0.2%, compared to the same period of the previous year.

Exchange rates

During the period January – December, 2016 the growth rate of the nominal exchange rate of leu against the major reference currencies has considerably diminished compared to the trends registered in the previous year. However, the depreciation trend of the national currency was maintained.

In 2016, the nominal exchange rate of the national currency in relation to the main reference currencies amounted to 19.08 MDL/USD and 22.1 MDL/EUR, depreciating by 5.3% against USD and by 5.7% against EUR compared to the values reached in the same period of the previous year.

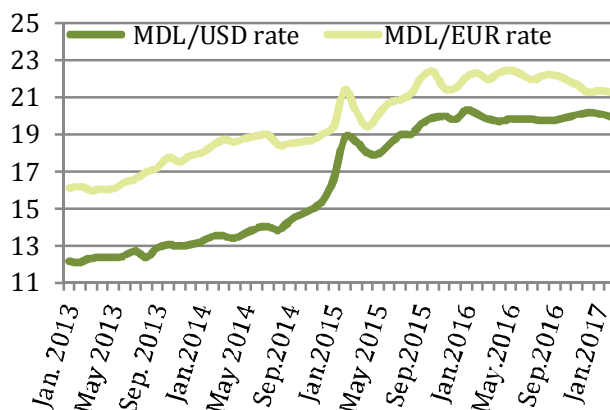


Figure 2.1.4. Development of the average monthly nominal exchange rate of MDL in relation to USD and EURO

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

In quarter IV of 2016 the average nominal exchange rate in relation to the major reference currencies amounted to 20.0 MDL/USD and 21.6 MDL/EUR, depreciating by 0.7% against US Dollar and appreciating slightly by 0.7% against the single European currency compared to the same period of last year.

The depreciation of the single European currency on the external markets favoured the consolidation of the real exchange rate of the national currency in quarter IV of 2016 which has slightly appreciated in relation to the single European currency by 2.6% and against US Dollar by 1.3% (available data for October and November 2016) compared to the same period of the last year.

Region of the Republic of Moldova from the left bank of the Dniester River.

During 2016, the annual rate of inflation experienced an increased volatility. In the first half of the year, the CPI was maintained on a negative territory thereupon it changed its trend direction coming back on a positive territory after almost a year.

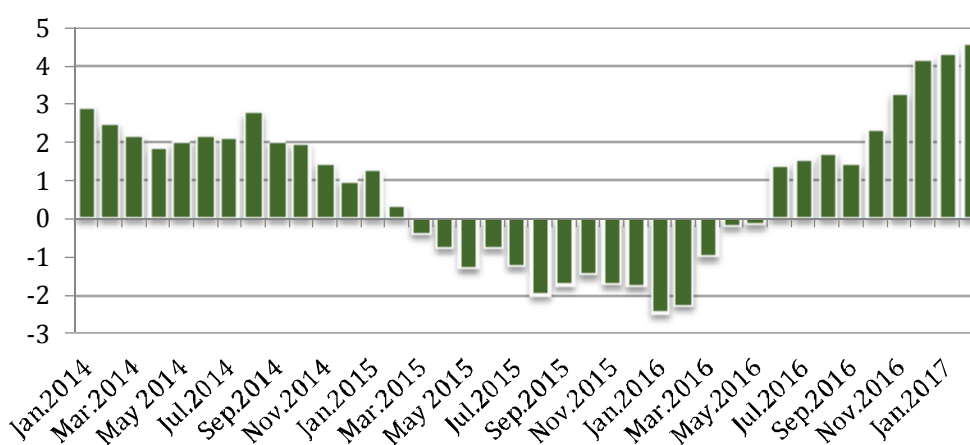


Figure 2.1.5. Annual growth rate of CPI in the region from the left bank of the Dniester River, %

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

In October-December, the annual growth rate of the CPI amounted to 3.2% increasing by 4.8 p.p. compared to the same period of 2015.

During quarter IV of 2016, the Central Bank of the region to the left of the Dniester River maintained the overall goal of the monetary policy oriented toward targeting the exchange rate established since middle of March 2016 at the level of 11.3 PRB/USD under the economic recession pressure from the region.

After the interventions of the Central Bank, at the end of quarter I, 2016, the appreciation trend of Transnistrian ruble initiated since September, 2014 has reduced. The average nominal exchange rate, in the reference period, amounted to 12.21 rubles for 1 Euro, depreciating by 0.4% against the value of the same period last year.

2.2. Monetary policy

The relaxation of monetary policy by reducing the key interests during 2016 marks the repositioning of monetary policy pursuant to the new macroeconomic conditions characterized by the decrease of inflationary pressures and stringent need to continue the lending activity of economy. However, the monetary policy still remains very restrictive given the conditions of maintaining a quite high level of ratio of required reserves which raise the resources necessary for economy.

Monetary policy instruments

During 2016, the rates of monetary policy were reduced in several stages decreasing by 10,5 p.p. at the end of the year compared to the level registered at the end of the previous year.

In the IV quarter of 2016, the NBM has reduced the rates of monetary policy by 0.5 p.p. against the level of the previous quarter. In the first nine months of the year, after the significant reduction in the interest rate of monetary policy, at the beginning of the IV quarter this was reduced once again to 9%. At the same time, the other rates of monetary policy were also reduced, the interest rate on overnight loans being at the level of 12% and the interest rate on overnight deposits – 6%.

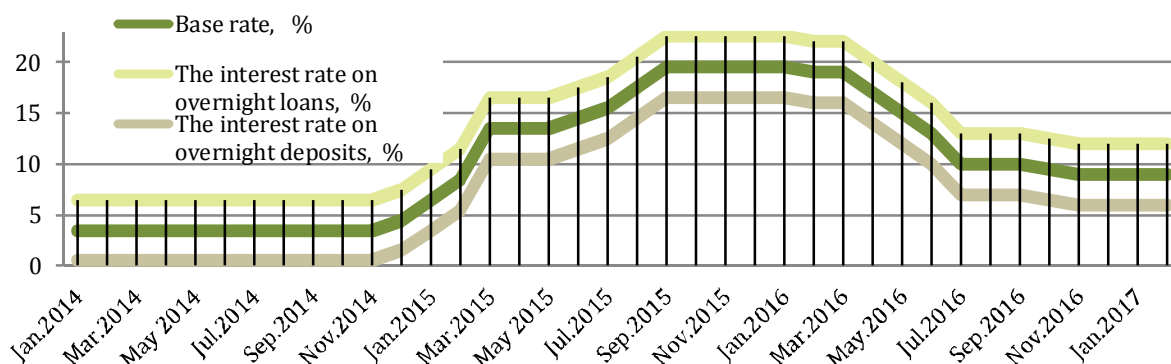


Figure 2.2.1. Development of interest rate on monetary policy instruments of the National Bank of Moldova, during the period 2014-2017

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

Required reserves

In 2016, the NBM did not change its minimum reserves requirements policy maintaining the required reserves coefficient at the level of the previous year. This was experienced in the economy by diminishing the volume of bank lending and decreasing the accessibility of financial resources for the real sector.

In quarter IV of 2016 the NBM maintains the reserves ratio from means attracted in MDL and non-convertible currency at the level of 35%, by 15p.p. over the historical maximum of MRR rate recorded in 2008. The required reserves rate from means attracted in convertible currencies remained also unchanged at the level of 14%.

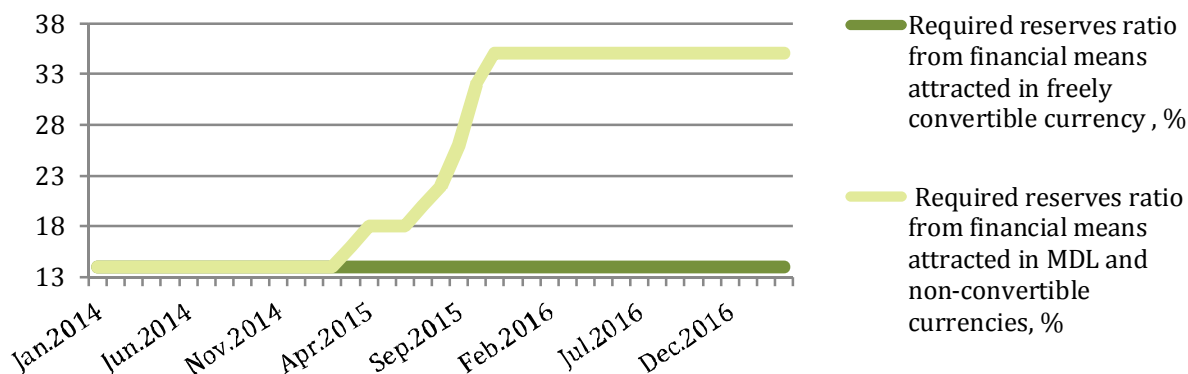


Figure 2.2.2. Ratio of required Reserves at NBM, %

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

Open market operations and standing facilities

In order to intensify the efficiency of monetary policy measures, the NBM carried out a strong control on liquidity on money market. In quarter IV of 2016, the NBM average monthly balance of sterilization operations was at a superior level to the same period of the last year (plus 4 bln. MDL) and amounted to 4.8 bln. MDL. The highest balance was registered in December 2015 and amounted to 5.2 bln. MDL.

In quarter IV of 2016, the overnight deposit demand had a uniform dynamics, the average daily balance constituting for October, November and December, 2016 – 870.9 mln. MDL, 938.9 mln. MDL and 990.2 mln. MDL, respectively. In the same period, requests for lending facilities did not come.

Foreign exchange market interventions

During 2016, the NBM has intervened on the exchange market especially as a foreign currency buyer except the IV quarter, in which the volume of foreign currency purchases amounted to 6.57 mln. USD, and the volume of foreign currency sales – 28.2 mln. USD. These interventions were accordingly with the monetary policy promoted by the NBM and aimed to improve the situation on the domestic currency market.

Table 2.2.1. BNM activity on interbank currency market during the period January 2016–February 2017

Month	Volume of purchases, (equivalent mln. USD)	Volume of sales, (equivalent mln. USD)
January 2016	0.38	-
February 2016	0	-
March 2016	11	-
April 2016	108.8	-
May 2016	47.5	-
June 2016	20.6	-
July 2016	74.4	-
August 2016	94.3	-
September 2016	62.9	-
October 2016	5.98	10.7
November 2016	0	17.5
December 2016	0.59	-
January 2017	0.48	-
February 2017	0.46	-

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

In 2016, the stock of the official reserve assets has registered a moderate growth rate. At the end of December, 2016 the official reserve assets increased compared to the data registered at the end of December, 2015 by about 0.45 bln. USD due to the NBM interventions on the interbank currency market. At the end of the IV quarter of 2016 the balance of the official reserve assets amounted to 2.21 bln. USD, registering a growth of 25.6% sply.

Monetary indicators

In 2016, the growth rate of all money supply components came again to positive values after two years of volatile developments, mostly negative due to the partial relaxation of monetary conditions. A more significant contribution to the increase of money supply had the components of monetary aggregate M1, especially demand deposits in national currency.

At the end of the IV quarter, the growth rate of money supply increased significantly compared to its values registered in the same period of the previous year, growth generated by the increase in the volume of deposits in national currency.

In this context, on December 31, 2016 the stock of monetary aggregates in comparison with the data recorded on December 31, 2015 has evolved as follows:

- Monetary aggregate M0 increased by 11.4% and amounted to about 17.3 bln. MDL;
- Monetary aggregate M1 grew up by 19.2 % and reached the value of 28.1 bln. MDL;
- Growth rate of monetary aggregate M2 posted an increase of 18.3% and totaled 46.4 bln. MDL;
- Monetary aggregate M3 raised by 10.2% and amounted to 70.5 bln. MDL.

At the end of the IV quarter of 2016, the volume of the money base has increased by 12.1% sply and amounted to 33.3 bln. MDL.

The evolution of the money supply components in 2016 left its mark on the structure of money supply in circulation as for the weight distribution of different components within the money supply loosely.

On December 31, 2016 the money supply components were distributed as follow: monetary aggregate M0 (currency in circulation) – 24.6%; demand deposits –15.3%; term deposits – 26.0% and deposits in foreign currency – 34.2%. In comparison with the data from the end of the fourth quarter of 2015 there was a reduction in the weight of deposits in foreign currency by 4.5p.p., dynamics determined by the strengthening of position of demand deposits and term deposits in national currency which increased their weight by 2.8 p.p and 1.5 p.p., respectively.

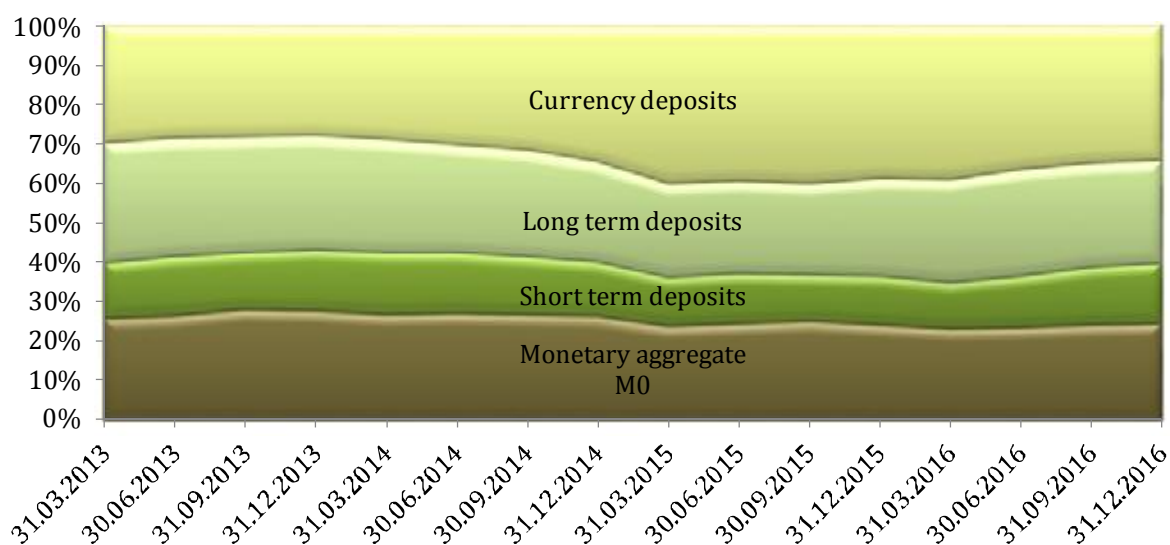


Figure 2.2.3. Structure of money supply M3

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

The essential growth in the weight of demand deposits in national currency in the total of money supply is a result of the monetary policy promoted by the NBM by maintaining a high level of required reserves ratios which are included in this aggregate. A decision, which can have serious consequences on the national economy bare of access to low-priced financial resources and in sufficient amounts necessary for an eventual relaunch.

Monetary policy in the region of the Republic of Moldova from the left bank of the Dniester River

The monetary policy strategy of the central bank of the Republic of Moldova's region to the left of the Dniester River provides for maintenance of the financial system stability and support of the economic growth based on targeting the exchange rate.

During the fourth quarter of 2016, regardless of inflationary pressures enhancement, the central bank's refinancing rate remained at 3.5%. For the ratios of required reserves there were also no changes equated to 12% for the sources attracted in foreign currency and 14% for those in rubles.

At the end of the fourth quarter of 2016, the money supply in the region to the left of the Dniester river accounted for 5320.9 mln. rubles (equivalent to approximately 2999.9 mln. MDL⁴), decreasing by 1.38% compared to the volume of money supply recorded at the end of the fourth quarter of the previous year.

On January 1, 2017 the money supply components were distributed as follow: monetary aggregate M0 (currency in circulation) – 20.5%; quasi money – 26.7%; money supply in foreign currency – 52.6%. Compared to the similar period of the previous year, at the end of the fourth quarter of 2016 there have been some significant changes in the structure of money supply: the weight of currency in circulation and quasi money increased by 4.6 p.p and 4.0 p.p., respectively and the weight of money supply in foreign currency decreased by 8.6 p.p.

⁴Calculated according to the official exchange rate of the CBPMR on January 1, 2017, <http://www.cbpmr.net/?kv=1&lang=ru>

Chapter III

FINANCES

3.1. Public finances

According to the data presented by the Ministry of Finance for 2016, the revenues of the National Public Budget were generally characterized by a rise registering an increase of 5.24% against 2015.

The total receipts of the NPB amounted to 45946.9 mln. MDL, increasing by 2286.2 mln. MDL compared to 2015. January (-1.46%), March (-2.54%) and July (-0.05%), were the months in which the NPB revenues were lower than in the similar period of 2015, the average growth rate for 2016 amounted to 1.22% per month. The components of the national public budget revenues included: state budget revenues – 28878.1 mln. MDL, state social insurance budget revenues – 15055.2 mln. MDL, mandatory health insurance funds revenues – 5764.1 mln. MDL. The local budget revenues amounted to 12053.0 mln. MDL. The revenues of the NPB components included also the transfers granted by the State budget amounting to 15792.4 mln. MDL in favour of SSIB – 5016 mln. lei (about 33.51% of the reported revenues), MHIF – 2512.7 mln. MDL (about 43.59% of the reported revenues), LB – 8252.6 mln. MDL as a net value (about 68.47% of the reported revenues).

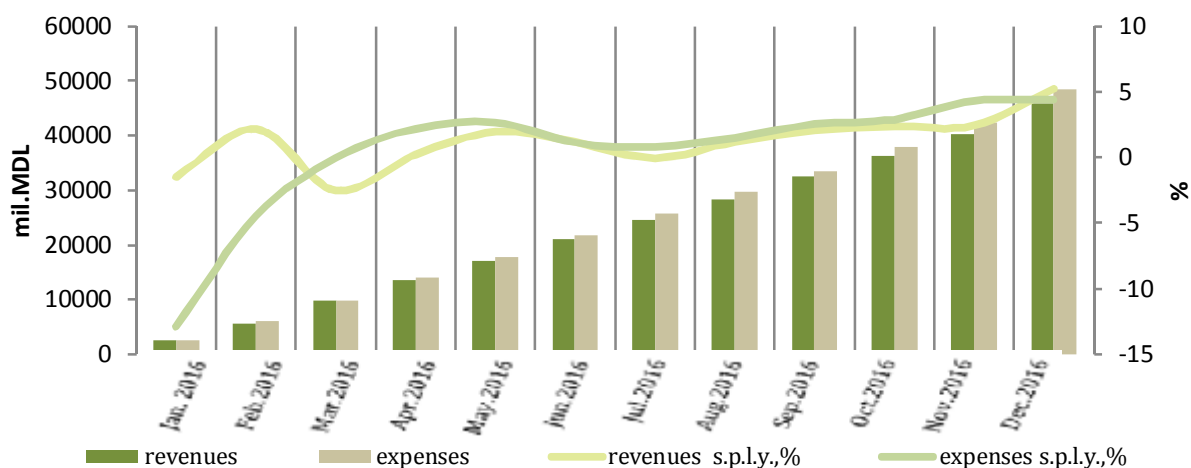


Figure 3.1.1. Dynamics of NPB revenues and expenditures in 2016

Source: Compiled by the author according to the data of the Ministry of Finance.

The taxes and fees totaling 29231.0 mln. MDL or 63.6%, contributions and premiums by 13271.1 mln. MDL or 28.9%, grants by 1373 mln. MDL or 3% and other revenues by 2071.8 mln. MDL, respectively 4.5% have contributed to the increase of the public budget receipts in 2016.

The highest contribution to tax revenues have the taxes and fees on goods and services – 71.3%, (of which 49.8% – VAT, 15.6% – excizes, 5.8% – other fees for goods and services), income taxes – 22.4%, (of which 10.9% were income taxes of individuals revenues and 11.5% of legal entities revenues) and fees on external trade – 5%. The taxes for real estate have had an insignificant contribution of 1.4%, though in 2015 this contribution was even lower – 0.93%. **We consider that the increase of 0.5% as a contribution to the fiscal revenues of the NPB has had the introduction of wealth tax in 2016.**

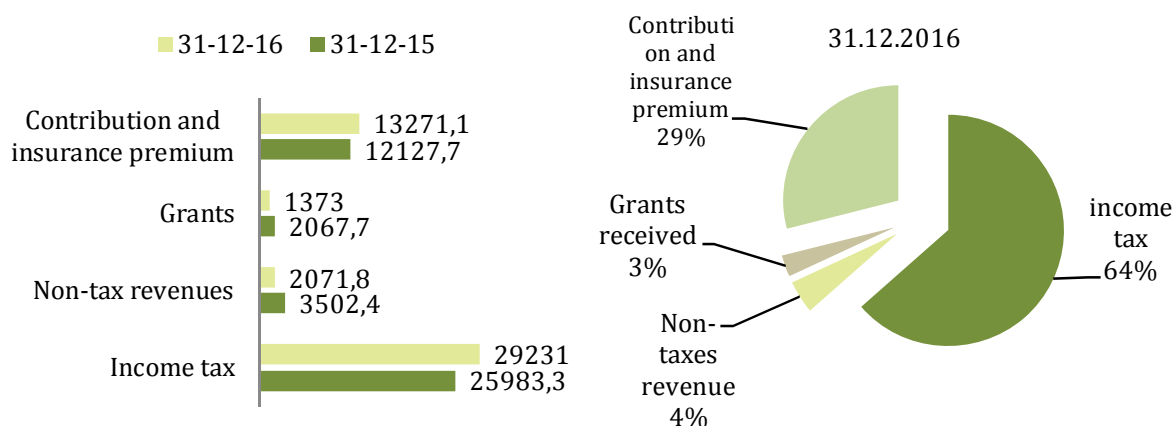


Figure 3.1.2. Structure of current NPB revenues on December 31, 2016, million MDL

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

During the analyzed period we were present at an increase of NPB revenues on *taxes and fees* – by 3112.1 mln. MDL or 11.98%, and of *contributions and required premiums* by 1143.4 mln. MDL or 9.43% compared to 2015. At the same time, the revenues of projects financed from external sources have diminished by 1 400.6 mln. MDL, a decrease caused by the reduction of external grants inflows after the completion of some investment projects in 2015 (for example Millennium Challenge Corporation) and aprobatation of external grants in 2016 by 57.7 percent less compared to the previous year. Concerning the general and collected revenues it is mentioned that in 2016 there were not planned receipts from the net profit of the National Bank of Moldova to the state budget pursuant to the amendments of the Law no. 548 of July 21, 1995 on the National Bank of Moldova.

The largest revenue generator to the state budget in 2016 was the Customs Service. The revenues managed by the institution amounted to 17 476.1 mln. MDL, by 10.4% more compared to 2015. The collections of the Tax Service have also increased by 9.5%, totaling 11 548.6 mln. MDL compared to 2015. Since 2016, the Ministry of Finance reports more amply the sources of non-tax revenues, thus there can be observed the revenues generated by the state property amounting to 343.4 mln. MDL or 0.75% of the total of which the dividends paid by the state enterprises worthing 133.2 mln. MDL.

In 2016, the Ministry of Finance refunded excizes and value added taxes consisting of 2 738.6 mln. MDL, rising by 19.6% in comparison with 2015. The rate of daily return without deductions was maintained, so that the economic agents had the favourable and stable conditions to develop their activity encouraging them to orient their efforts towards the export of manufactured products.

In 2016, the NPB expenditures increased by 4.04% compared to 2015, and reached the value of 48434 mln. MDL, being prevailingly led to the social sphere. Generally, all divisions of NPB expenditures were up compared to 2015, except environment protection expenditures which decreased by 61.63%, from 449.9 mln. MDL in 2015 to 172.6 mln. MDL in 2016. The growth in the main expenditures chapters in 2016 against 2015 was:

- ✓ education – 1.44% from 8462 mln. MDL to 8558.7. mln. MDL;
- ✓ state services with general destination – by 133.45 %, their value reached the level of 5115.9 mln. MDL from 2191.4 mln. MDL of the previous period;
- ✓ health care – 0.76% an insignificant increase of 49.6 mln. MDL;
- ✓ Culture, sport, cults – by 5.45%, from 1116.4 6 mln. MDL to 1177.2 6 mln. MDL.

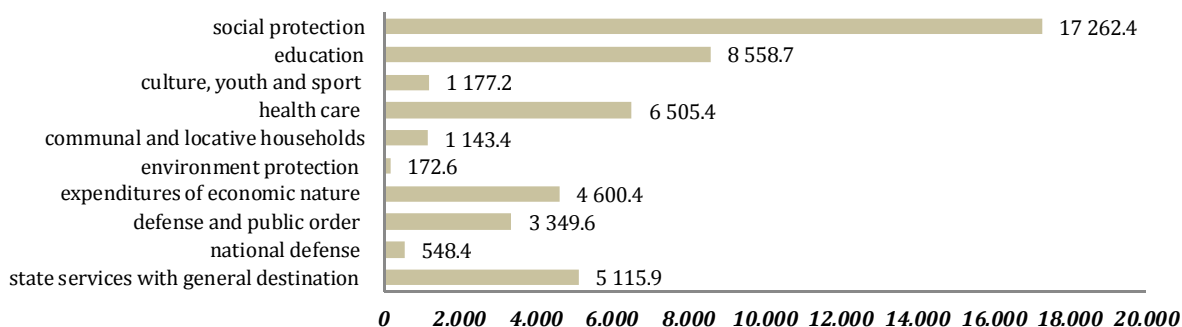


Figure 3.1.3. Distribution of NPB expenditures on December 31, 2016, million MDL

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

The distribution of the NPB expenditures by chapters reflects a social direction of the budget. Therefore, the social protection represented 35.64% of total budget expenditures increasing by 9.98% compared to the previous year with a weight of 35.64%, health care -13.43%, education -17.67%, including culture, youth and sport -2.43%, all these components totaling a weight of 69.2%. The state expenditures with general destination amounted to 10.56%, for defense and public order 1.13% and 6.92% respectively, expenditures of economic nature – 9.50%, communal and locative households -2.36, and environment protection – only 0.36%. The social character of the budget did not allow the state to develop investment activities on both the level of services for economy and the locative infrastructure or environment protection.

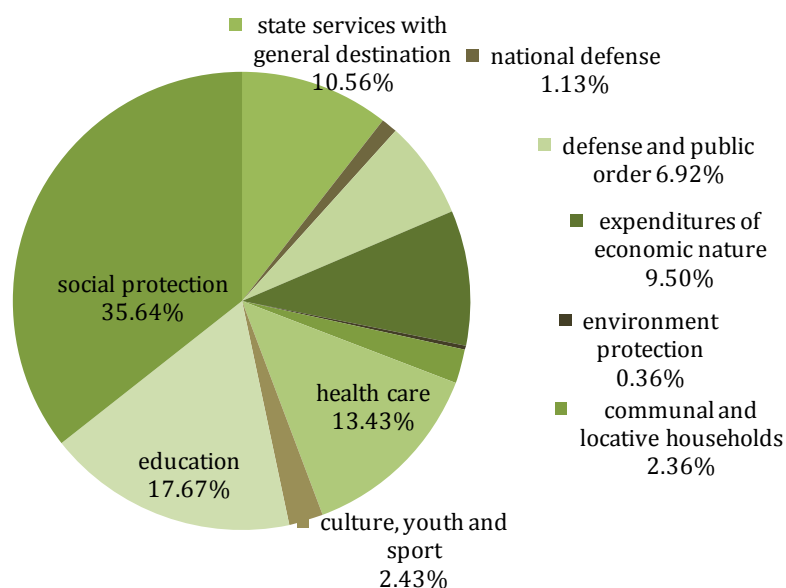


Figure 3.1.4. Structure of NPB expenditures on December 30, 2016, %

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

Budgetary financial result. The national public budget execution in the budget year 2016 has resulted in a deficit equating to 2487.1 mln. MDL, declining by 8.39 % compared to the previous year. It is the first time in the last 3 years when the budget deficit is reduced.

In comparison with the beginning of the year, the balances of the resources in the accounts of the state budget have increased by 992.1 mln. MDL and on December 31, 2016 amounted to 3 298.5 mln. MDL, including 1 180.8 mln. MDL of projects financed from external sources. In August, 2016, in the currency account of the Ministry of Finance opened at the NBM were collected funds of the loan granted by the Government of Romania to the Government of the Republic of Moldova in the amount of 60.0 mln. EUR. In November this year, in the currency accounts of the

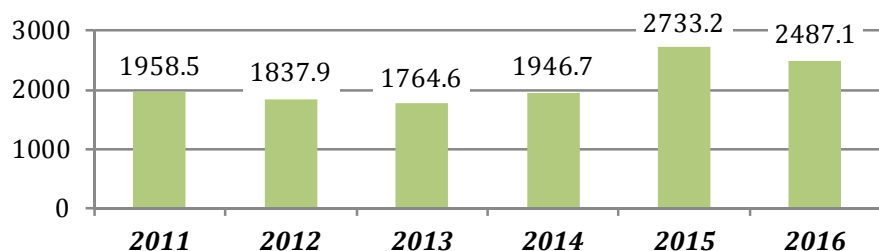


Figure 3.1.5. NPB deficit, million MDL

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

Ministry of Finance opened at the NBM were collected funds granted by the IMF as a loan for the finance of the state budget deficit consisting of 24.1 mln. USD. In December, 2016 in the currency accounts of the Ministry of Finance opened at the NBM were collected funds granted by the European Commission as a grant worthing 45.3 mln. euro. Also, there were collected resources from the World Bank granted for the implementation of structural reforms and finance of the state budget deficit amounting to 48.5 mln. euro. Thus, in 2016 the external debts inflow amounted to 2016 4646.3 mln. lei as inflows during the year and 1153.8 in the form of payments for the debt service from the previous years. The net balance of inflows from external sources accounted for 3492.5 mln. MDL.

The budget deficit was also financed from the account of sources attracted from the domestic market. Thus, on December 31, 2016 the *balance of total public debt expressed in lei* amounted to 59 371.9 mln. MDL, increasing by 16 102.6 mln. MDL or 37.2% compared to the end of 2015. According to the GDP ratings for 2016, the weight of public sector debt on December 31, 2016 accounted for 44.2%, against GDP by 8.8 p.p. more than the weight recorded at the end of 2015. Essential changes were also borne by its structural components.

The increase in the public sector debt balance at the end of 2016 in comparison with the end of 2015 is conditioned by the increment of the state debt balance by 17 276.6 mln. MDL of which 13 583.7 mln. MDL in consequence of the government bonds issuance in accordance with the Law on government bonds issuance of September 26, 2016 in order to execute the payment liabilities derived from the State guarantees from 2014-2015 by the Ministry of Finance. During the same period the other components of the public sector debt have registered a decrease. Respectively, the balance of the NPB debt has diminished by 829.8 mln. MDL, the debt of public sector enterprises has reduced by 334.2 mln. MDL, and ATU debt has decreased by 10.0 mln. MDL.

On December 31, 2016 the external debt of the public sector amounted to 1778.9 mln. USD (equivalent of 35 544.7 mln. MDL), or 59.9% of the public sector debt balance and the domestic debt of the public sector accounted for 23827.2 mln. MDL (40.1%). During 2016, the public sector debt increased being influenced especially by the domestic debt of the public sector which registered an increasing development of about 143.0 percent.

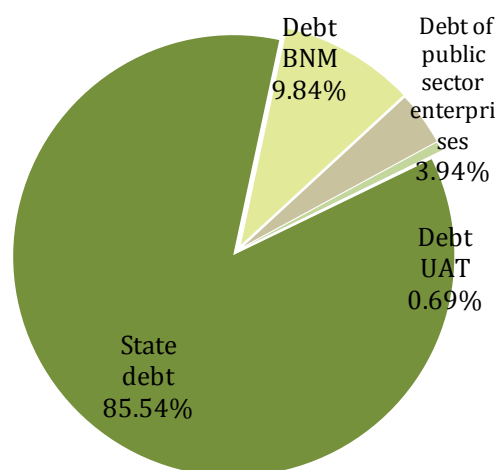


Figure 3.1.6. Structure of NPB debt, %

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

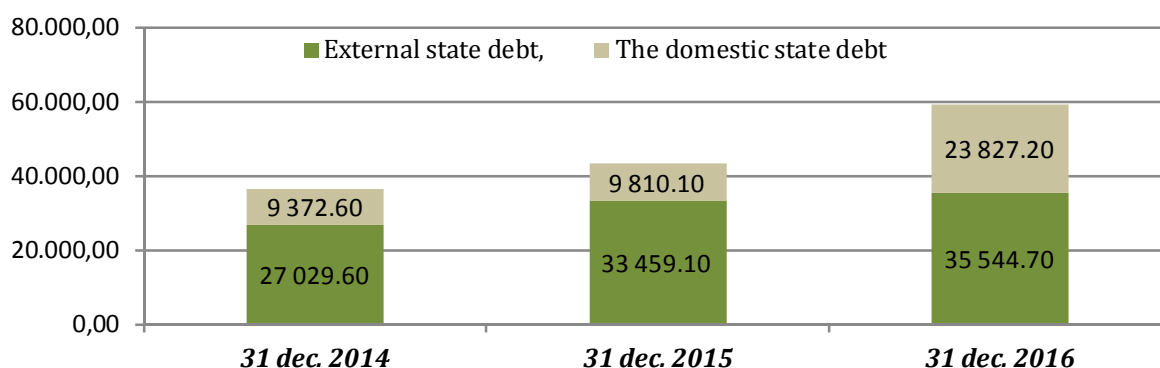


Figure 3.1.7. Structure of NPB debt by source of origin, %

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

On December 31, 2016 according to the data for 2016, the value of **public debt** against GDP amounted to 37.8%, registering a rise of 10.4% compared to the situation to the end of 2015. Hence, at the end of 2016 the state debt balance equated to 50 785.8 mln. MDL, increasing by 17 276.6 mln. MDL or by 51.6 % compared to the end of 2015, being influenced especially by the increase of state domestic debt balance by 14 294.2 mln. MDL (including the obligations issued in the execution of the state guarantees from 2014-2015) and the external state debt by 2982.4 mln. MDL, respectively. The state debt quality is given by the following aspects:

- **maturity** – is given by the maturity term of the state debt which can be characterized as advantageous because the short-term state debt is situated at the level of 18.7 %, and the long-term debt amounts to 81.3 % of the state debt portfolio, the longest maturity periods being peculiar to the external state loans and state securities issued for the execution of the state guarantees.
- **currency** – the major weight belongs to the domestic state debt in Moldovan lei – 42.4%, followed by the external state loans in the SDR currency basket by 35.6%. The debt expressed in euro accounts for 13.5%, US Dollar – 6.3%, Japanese yen – 2.2%, and sterling – 0.02%.
- **Interest rate** – on December 31, 2016 the debt of floating rate constituted 15.4 % of the state debt portfolio representing a decrease of 5.5% compared to the end of 2015 and the state debt of fixed interest rate was 84.6 percent of the portfolio.
- **debt instruments** – on December 31, 2016, the majority weight is held by the external state loans with 51.4%, declining by 17,4% compared to the end of 2015, followed by the aforesaid obligations issued for the execution of the state guarantees with a weight of 26.3%, the SS issued on the primary market with a weight of 12.0%, SDR allocation by 6.2% and convert SS by 4.1%.

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

in 2016, the budget revenues of the region to the left of the Dniester River amounted to 1512.2 mln. rubles equivalent of 2672.68 mln. MDL⁵. In relation to the NPB revenues of the Republic of Moldova realized in 2016 these amounted to 5.82%. The planned revenues in Transnistrian region for 2016 were collected in the ratio of 58.4 %, in value units being collected by 2.7% more than in 2015. The structure of budget revenues included tax revenues in the ratio of 62.2%, non-tax revenues – 2.1%, donations from the Russian Federation – 0.2%, revenues from special funds – 25.3% and revenues from commercial activity – 10.2%. The most revenues, except non-tax ones have had a decreasing trend in 2016 compared to the previous period.

⁵ Calculated at the exchange rate of the Transnistrian Republican Bank on December 31, 2016 – 1 MDL=0,5638 rubles.

The tax revenues structure reported by the Ministry of Finance of Transnistria for 2016 highlights the major contribution of the income tax equating to 52.29% of total tax revenues of which the largest part is the income tax from the entrepreneurial activity with a contribution of 91.28% or 448.7 mln. rub. and 8.78% or 29.0 mln. rub. – individuals income tax. The taxes and fees on goods and services have had a smaller weight of 10.55% or 99.2 mln. rub, equating to only 56.25% of the planned ones and the external trade taxes amounted to 30.99% of tax revenues with a contribution of 291.31 mln. rub. Neither these revenues were collected in the planned value amounting to only 48.3% of it. Other taxes of total tax revenues, such as taxes on real estate or the use of natural resources have an insignificant weight of 6.17%. Hence, the tax revenues of Transnistrian region are mainly formed of direct taxes which form approximately 58.46 % of the total compared to the NPB tax revenues of the Republic of Moldova, the weight of these revenues being about 23.8%.

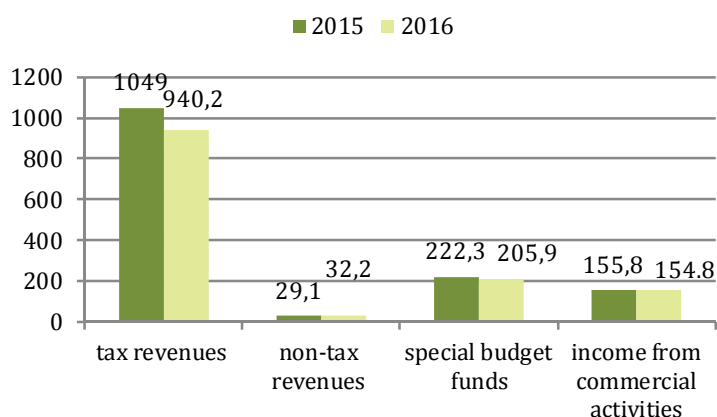


Figure 3.1.8. Dynamics and structure of public revenues of the region from the left of the Dniester on December 31, 2016

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

Budget expenditures of the region during the period January-September totaled 2733.96 mln. rubles – the equivalent of 4849.17 mln. MDL or 9.8% of total NPB expenditures made on the controlled territory of the Republic of Moldova.

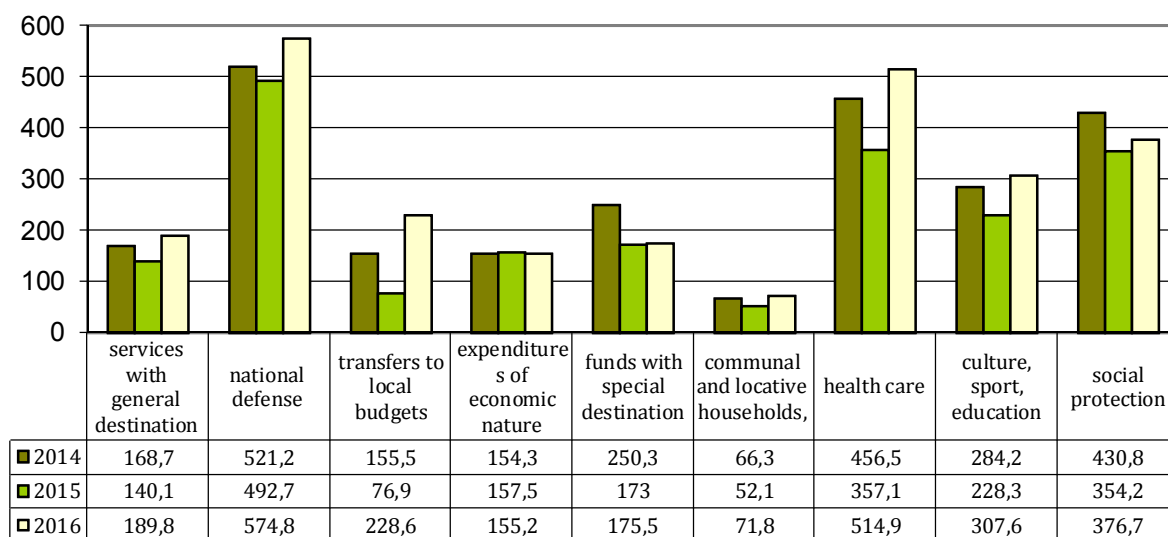


Figure 3.1.9. Dynamics and structure of public expenditures of the region from the left of the Dniester during the period 2014-2016

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

The total volume of public expenditures amounted to 186.58% of total revenues, the budget of Transnistrian region registering a deficit of 1268.7 mln. rub.

The budget expenditures were realized in the ratio of 85%, due to the unfulfilment in integral

value of revenues division. Their value increased by 697 mln. rubles or by 33.54% compared to the similar period of the previous year, the increase of expenditures registering in all fields except the distributions for funds with special destination. The increase of budget expenditures had the following reasons:

- Salaries growth for the employees in the budget sector by 618.4 mln. rubles, or 28.34%;
- Expenditures increase for bank deposits indexing of the population by 20 mln. rubles which were not even performed in 2015;
- Expenditures on ensuring the election process amounting to 5.53 mln. rubles.

The structure of budget expenditures in Transnistrian region by chapters is presented in figure 3.1.10.

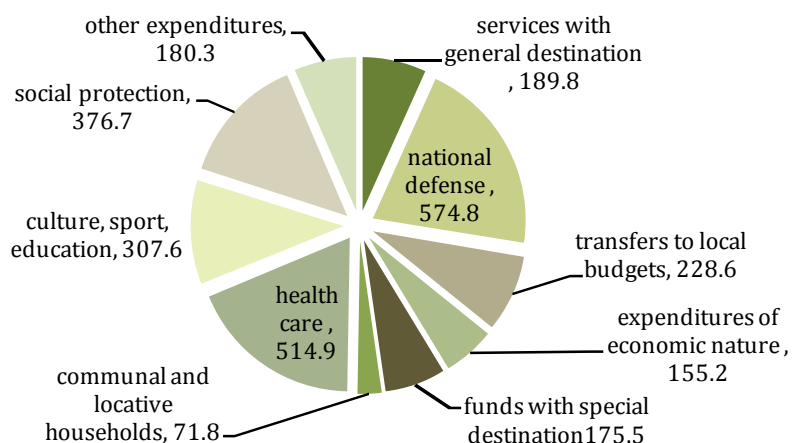


Figure 3.1.10. Structure of public expenditures of the region from the left of the Dniester on December 31, 2016

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

The structure analysis of the public budget expenditures in the region of the left of the Dniester River shows that the highest weight of total expenditures have the expenditures for national defense (20.71%), followed by the expenditures for public health (18.55%), expenditures for social protection (13.57%), expenditures for breeding and education (11.08%), transfers to local budgets (8.24%), services with special destination (6.84), funds with special destination, services in economy (5.59)%. The expenditures for maintaining the infrastructure amounted to 2.59% and the rest of expenditures with an insignificant weight totaled 6.50%.

To cover the budget deficit of 1268.7 mln. rubles were contracted loans worthing 1277.33 mln. rubles of which 462 mln. rubles – bank loans. At the same time, the Transnistrian region benefited by the humanitarian aid of the Russian Federation amounting to 2.8 mln. rubles.

3.2. Banking sector

During 2016 there are recorded trends to improve the quality of asset and bank capital. After a situation of uncertainty and instability caused by the bankruptcy of three banks one of which being systemic in 2016 there is observed an increase in the bank asset from 70 233.7 mln. MDL in January 2016 to 72 942.18 mln. MDL at the end of 2016, rising by 3.86%. The total value of the bank asset reported to the GDP value amounted to 54.97%, with a growth of 2.48 p.p. against December 2015. However, during 2016 the growth rate of bank assets was uneven, in February being registered a massive compressing of assets, the minimum level reaching 69628 mln. MDL. This decrease was caused by the assets reduction of class 01 – cash and cash equivalents accounting for 22273 mln. MDL in February compared to December 28184 mln.

MDL. At the same time, it is attested an increase in the quality of assets, the risk-weighted ones having a decreasing trend from 35721.23 mln. MDL to 32552.99 mln. MDL during 2016 or by 8.86%. The financial institutions which were holding the most risk-weighted assets on December 31, 2016 are BC Moldova Agroindbank, with a value of 10428,6 mln. MDL. And B.C. Moldindconbank with 7210.33 mln. MDL, both decreasing this type of assets compared to December 2015.

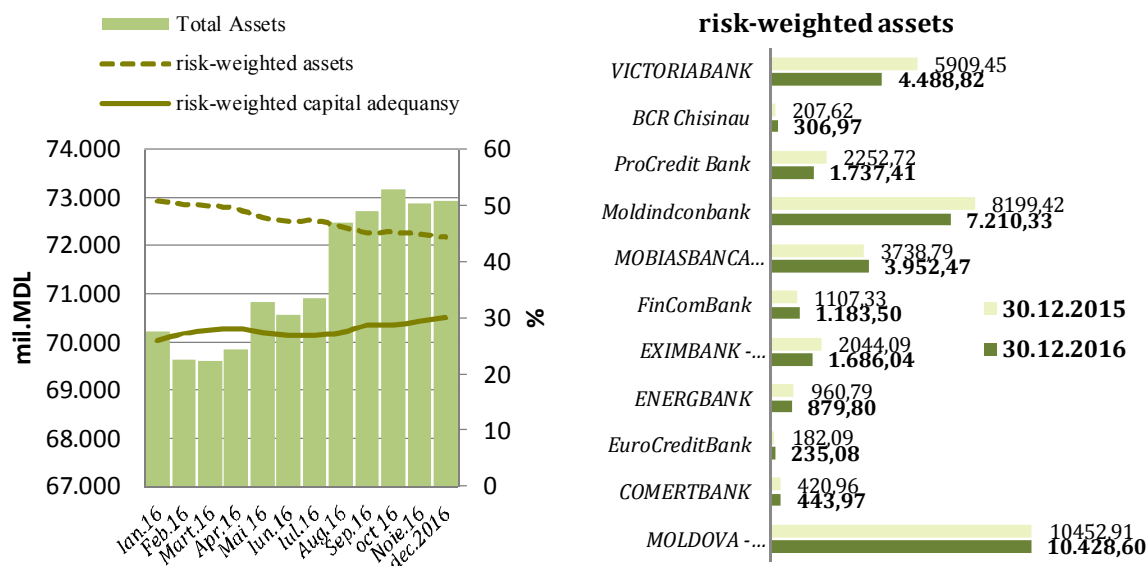


Figure 3.2.1. Development of quality of bank asset, 2016

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

Although, the increase of assets and the reduction of their risk is a positive trend, however it is worth mentioning their high level of dollarization. Hereby, on December 31, 2016 the total level of assets in foreign currency amounted to 37.48%, decreasing by 6.4 p.p. compared to December 31, 2015. We are present at a situation when 44.62% (weight of loan portfolio in total assets) of assets are exposed to a credit risk and 37.48% – to the fluctuation risk of the exchange rate. At the same time it is also mentioned the high level of concentration registered in the domestic banking system. The value of assets of the first 5 banks in the system amounts to 83.45% of total and of those 3 banks under special supervision which essentially are also the first 3 banks by the amount of assets which is 64.22%. The indicator representing the level of concentration of HHI market is 1682.16, fact which indicates a low competition on the banking services segment.

The average of the risk-weighted capital adequacy per banking sector still remains at a high level. Hence, the level of coverage of TRC (Total Regulatory Capital) of the risk-weighted assets for 11 banks in the sector registers the value of 30.08% on December 31, 2016 (increasing by 3.92 p.p. compared to December 2015) indicating a prudential approach of the operational activity of the domestic banks which are oriented to maintain a high volume of regulatory capital compared to the assumed risk level.

According to the reports of the banks structured in the information on the economic-financial activity during 2016 the total regulatory capital of the banking sector has showed an increase of 5.56 %, to 9437.88 mln. MDL compared to 8989.6, attested on December 31, 2016, this rise being supported by the increment of the Tier I capital by 4.98%. All banks have complied with the requirements to hold the minimum required capital corresponding to the amount of 200 mln. MDL.

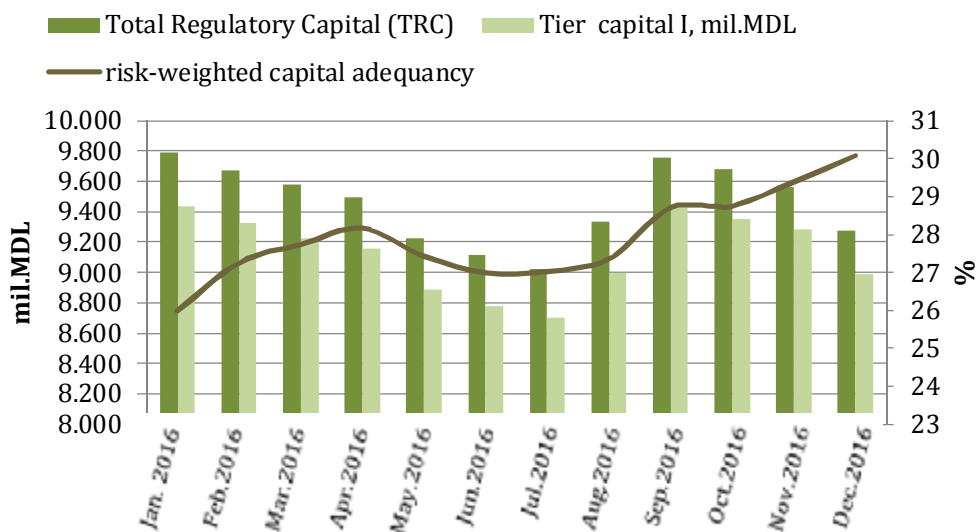


Figure 3.2.2. Development of quality of bank capital, 2016

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

The liquidity of the banking sector is maintained within the prudential limits. During 2016, a new liquidity reporting criterion called principle III was introduced whereby the banks are committed to maintain the volume of liquid assets not less than the value of payment obligations (mature liabilities) on maturity bands.

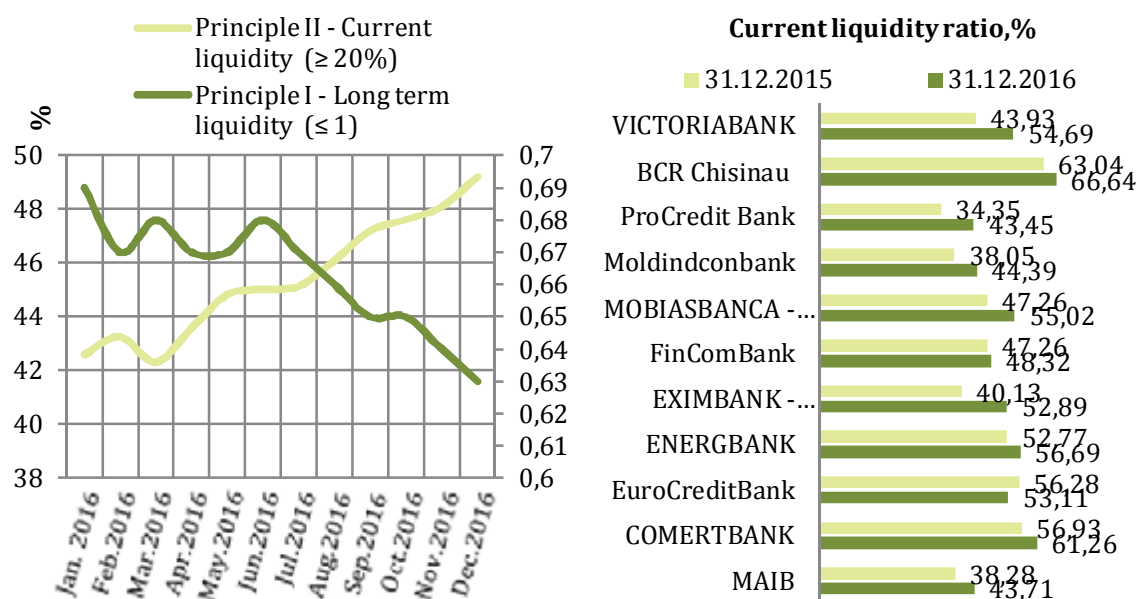


Figure 3.2.3. Dynamics of liquidity principle I and II in the banking sector, %

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

2016 as 2015 was marked by a high level of liquidity of bank balances, so the current liquidity indicator of the banking sector oversteps the normative set by the NBM. The weight of liquid assets (liquidity principle II) records 47.61% (compared to the minimum normative of 20%), more by 6.06 p.p. against December 31, 2015. The level of long-term liquidity indicator (liquidity principle I (≤1)) of the entire banking system was 0.63% on December 31, 2016 less by 0.06 p.p. compared to December 31, 2015. *Consequently, we see that the most banks register high liquidity coefficients corresponding to the prudential norms imposed by the NBM.*

Moreover, this liquidity amount is not necessary for the banking system. If we follow the liquidity principle III where the amount of liquidity assets grouped by certain maturity terms is related to the amount of mature liabilities in the same deadlines we see that the normative (min 1) is overstepped on the maturity band for all periods, and for the periods from 2 to 3 months, the liquid asset exceeds the requirement by 12.17 times. The liquidity excess does not grow the main function of the bank – lending of economy and it is the direct consequence of the austere monetary policy applied by the NBM.

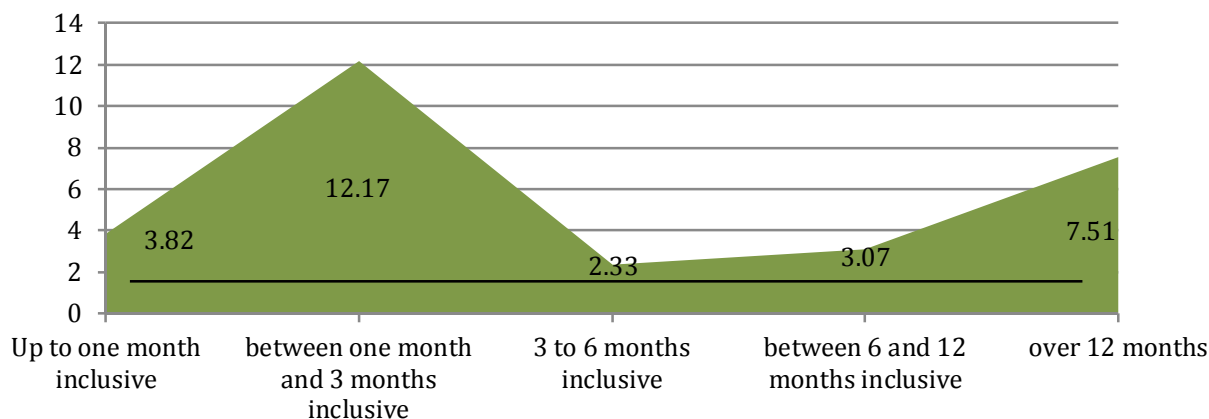


Figure 3.2.4. Distribution of liquid asset/current liability correlation on maturity bands (principle III)

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

The banking sector recovery through banking profitability increase. In 2016 the net profit volume amounted to 1478.2 mln. MDL increasing compared to 2015 by 29.19% or in value units by 334 mln. MDL. The most banks have recorded a positive trend, excepted three banks – B.C. „EXIMBANK – Gruppo Veneto Banca” S.A. – a depreciation of the net profit of 42.5 mln. MDL, „FinComBank” S.A. 2.6 mln. MDL and B.C. „ProCredit Bank” S.A. - 18.8 mln. MDL.

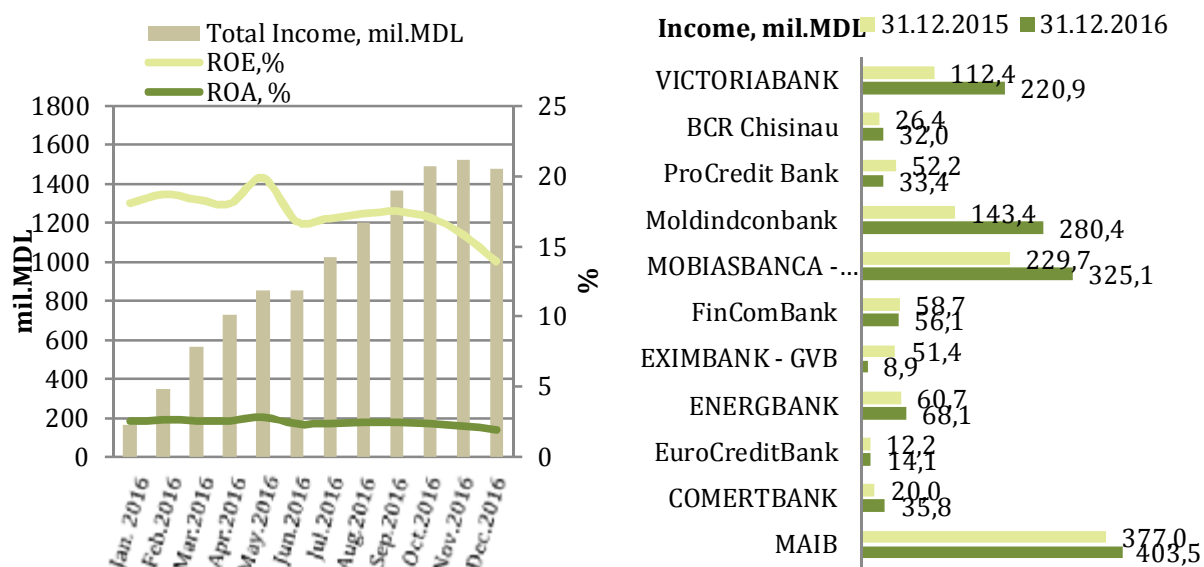


Figure 3.2.5. Development of banking return and profitability

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

The pioneers in terms of net profit increase were B.C. „VICTORIABANK” S.A. – 108 mln. MDL or 96.5% compared to 2015, B.C. „Moldindconbank” S.A., with an increase of 135 mln. MDL or

95.52%, B.C. „COMERTBANK” S.A. -15.8 mln. MDL or 78.94% and BC „MOBIASBANCA – Groupe Societe Generale” S.A. – 95.4 mln. MDL or 41.55%. BC „MOLDOVA – AGROINDBANK” S.A. has registered the lowest growth of only 7.03% or 26.5 mln. MDL. At the same time, this bank has contributed by 27.3% of total profit, followed by BC „MOBIASBANCA – Groupe Societe Generale” S.A. by 21.99% contributions. Altogether, the first 3 banks in the system provided 61.21% of total net profit and along with BC „MOBIASBANCA - Groupe Societe Generale” S.A. – 83.20%. So, we consider this factor an eloquent one to claim about the high level of bank concentration and low level of competition – the big actors dictating the prices and rules of game.

Against the rise of the absolute indicators it is unexpectedly the depreciation of the relative ones. Thus, the ROA (Return on assets) depreciated from 2.54% to 1.97% during the year, and ROC (return on capital) from 15.55% to 11.95%. However, we observe that the resulting indicators, such as net profit, ROA, ROC have an informative character during the year being conclusive at the end of the reporting period. Hence, the most eloquent comparison is against the end of 2015, or this comparison reflects a ROA increase by 0.31 p.p. and ROC by 2.89 p.p. We are going to analyze if this increase was not resulted of the diminishing in the quality of assets portfolio and excessive credit risk assumption because in this case it will be short-dated.

The rise in non-performing loans rate during 2016 shows the aggravation of loan portfolio quality. During 2016, the weight of non-performing loans in total loans increased by 6.53 p.p., compared to December 31, 2015, constituting 16.31%, respectively the weight of non-performing loans in TRC has also increased by 19.96p.p. reaching the weight of 57.90% on December 31, 2016. This rise was largely caused by the fact that growth rate of non-performing loans value was higher than that of loan portfolio increase in general and regulated capital. Hereby, the non-performing loans increased by 1593.53 mln. MDL, amounting to 5669.86 mln. MDL at the end of 2016, rising by 39.09% compared to December 31, 2015. For the same period, the growth rate of assets was of 3.86% and TRC 5.56%. We state that, *the lending activity of the domestic banking sector is strongly influenced by the low solvency of economic agents conditioned by the instable macroeconomic situation and problems in the corporate governance of the banks.*

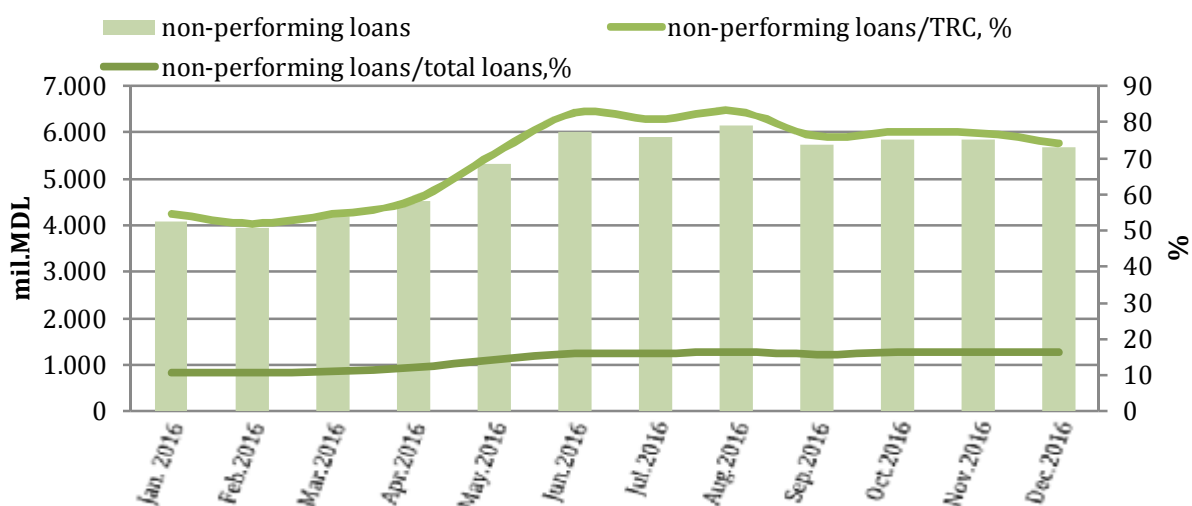


Figure 3.2.6. Development of credit risk in the banking sector, million MDL, %

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

The decline in the quality of loans is more evident against the compression of loans volume. Therefore, the volume of loans decreased by 3404.35 mln. MDL or 8.92% compared to December 31, 2015 due to the slow increase of bank assets, leading to the conclusion that the bank assets grow up from the liquidity account, the result being the maintenance of a high level of the minimum limit of reserve requirements of 35% from the attracted deposits balance. This

effect is also cumulated by the interest rates adequate for the state securities which provide a high correlative flow with a risk equal to 0.

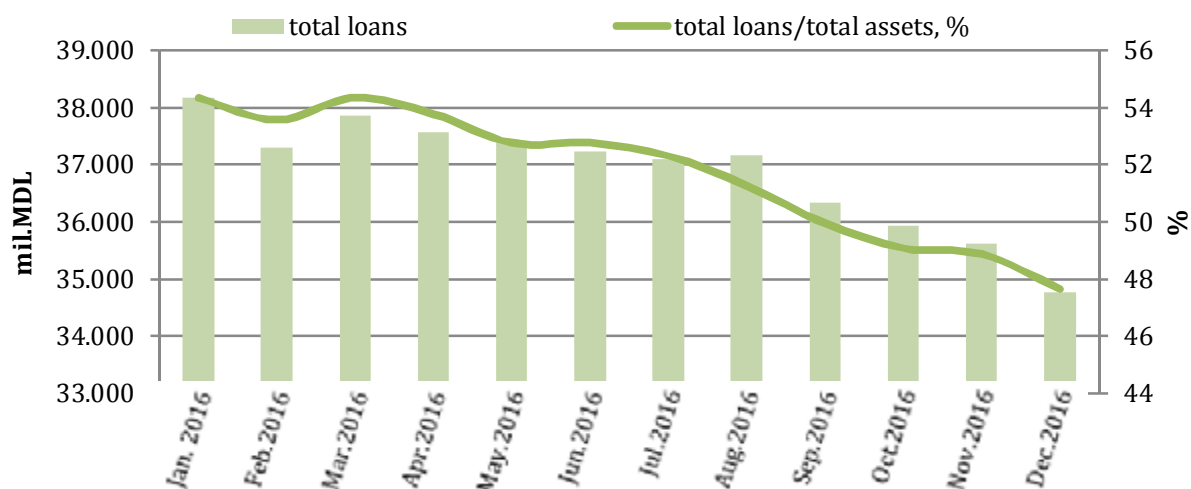


Figure 3.2.7. Development of loans in the banking sector, million MDL

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

The deterioration of the loan portfolio is more evidential on the banks under special supervision (BC „Moldindconbank” S.A., B.C. „VICTORIABANK” S.A. and BC „MOLDOVA – AGROINDBANK” S.A.) during 2016. The domestic financial institutions cleared out their non-performing loans balances resulted in losses with a volume of 1087 mln. MDL during 2016, the major part being allocated by these banks. Thereby, BC „Moldindconbank” S.A., resulted in losses of 446 mln. MDL financial assets or 41.05% of total, BC „MOLDOVA-AGROINDBANK” S.A. – 290 mln. MDL or 26.65% and B.C. „VICTORIABANK” S.A. – 154 mln. MDL or 14.20%. The rate in losses of the financial assets has reduced compared to 2015, when 1962.7 mln. MDL in the total system were retired, of which 442.7 mln. MDL or 22.56% have been written off by the BC „MOLDOVA-AGROINDBANK” S.A, 720.95 mln.MDL or 36.73% – BC „Moldindconbank” S.A and 517.13 or 26.36% – B.C. „VICTORIABANK” S.A (Fig. 3.2.8).

Even under these conditions, the loan portfolio of these 3 banks remains at a high risk. Thus, the rate of non-performing loans is 33.81% in total portfolio at B.C. „VICTORIABANK” S.A. and in the TRC -165.8%, being the highest in the system. Is is followed by B.C. „EXIMBANK – Gruppo Veneto Banca” S.A with 28.09% and 56.95% respectively, BC „MOLDOVA-AGROINDBANK” S.A., which reports high values of this indicator – 12.15% and 49.19% and BC „Moldindconbank” S.A. with 15.87% and 70.11% respectively.

The aggravation of the situation compared to the same period of 2015 is peculiar to all these banks. *This fact, as well as the low shareholders’ transparency confirms the need to maintain the special supervision for 3 of the largest banks in the system. As for B.C. „EXIMBANK – Gruppo Veneto Banca” S.A, the high risk associated with the loan portfolio explains the permanent decrease of its profit.*

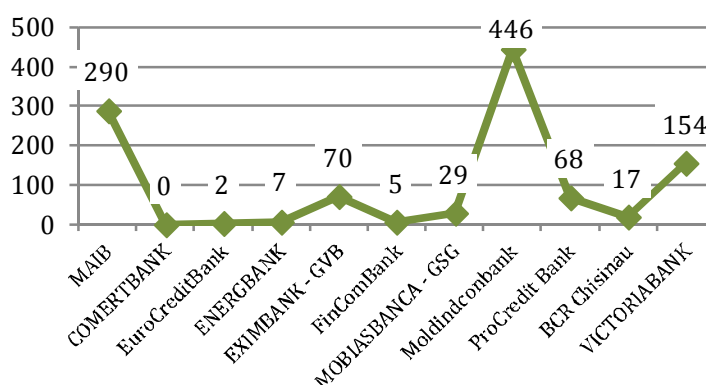


Figure 3.2.8. Volume of financial assets depreciation set as losses for 2016

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

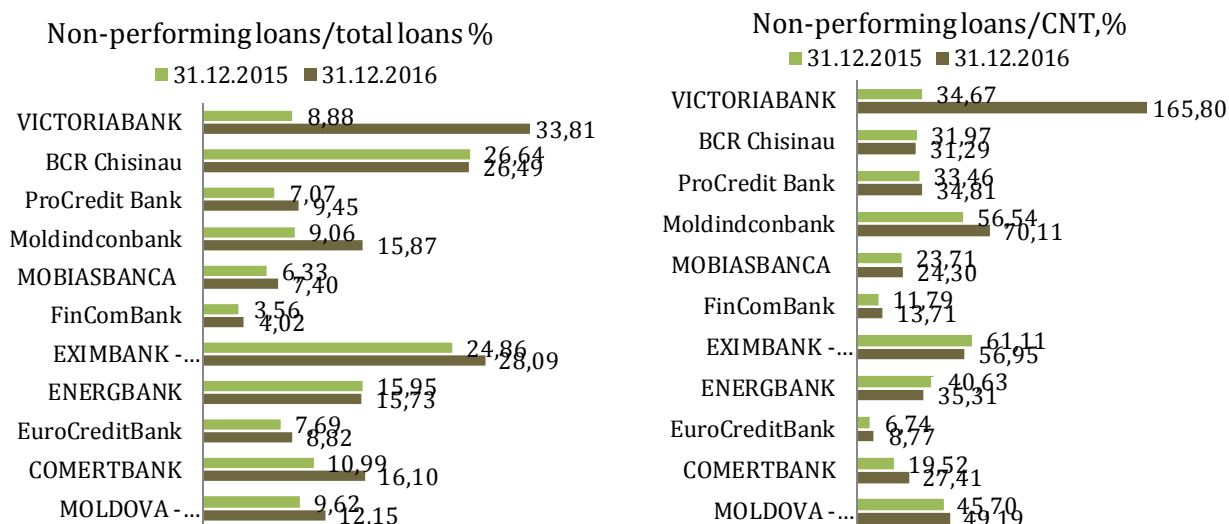


Figure 3.2.9. Development of credit portfolio quality in banks under special supervision, September 2016

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

The downward trend in loans is correlated with their migration from national currency into hard currency. The weight of loans in national currency has reduced by 0.64% during 2016 amounting to 2143.9 mln. MDL. The balance of loans provided to individuals and legal entities has rhythmically dropped but those provided to legal entities declined faster (by 3862.2 mln. MDL or 13.4%) than those for individuals (0.46 mln. MDL), leading to the decrease of lending rate of the real economy. Thus, the financial intermediation coefficient for 2016 is lower than that registered in 2015.

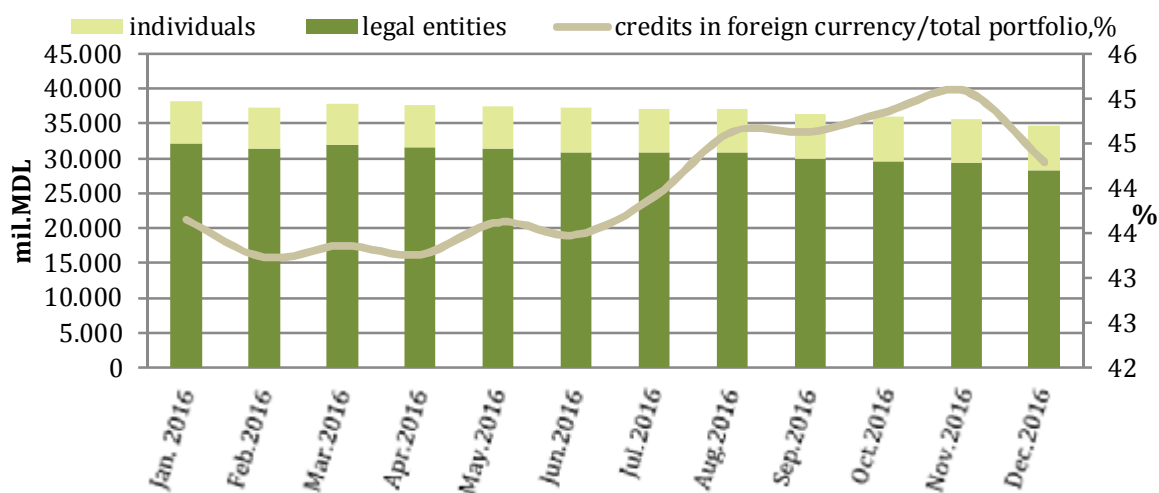


Figure 3.2.10. Loans provided to individuals and legal entities, million MDL

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

In 2016, the risks distribution by loans destination was uneven, its highest level was recorded for loans provided to provision of services – 48.28%. The constructions sector with a value of 35.31% of non-performing loans, energy industry sector where 21.78% are non-performing loans, food industry sector – 19.67%. The least risky are the loans portfolios provided to non-commercial organizations, non-banking financial environment and unexpectedly consumer loans which in financial theory are ranged in the position of high-risk loans but in the domestic banking sector have registered only 4.73% of portfolio in non-performing category. The general

risk level of loans portfolio is 16.38%, fact which could put it from the average risk position to high risk one. At the same time, the concentration of loans in certain sectors reflects the model of Moldovan economy where 39.71% are loans provided to trade (decreasing by 1.13p.p. of market position) 17.52% – agrarian sector by 7.37% directly to farmers and 10.15% – agri-food industry. The other sectors are positioned below 10%, fact which proves an allowable level to diversify the loan portfolio by activity fields.

Table 3.2.1. Structure of credit portfolio by branches during the period 2014-2016

No.	Loans branch	2015	2016		2015	2016
		Balance at the end of period, MDL	Balance at the end of period, MDL	Including non-performing loans, %	Weight in total	Weight in total
1	Loans for agriculture	2 995 665 732	2 552 191 831	16.27	7.93	7.37
2	Loans for food industry	3 555 458 432	3 514 796 253	19.67	9.41	10.15
3	Loans for constructions field	1 327 889 031	933 715 404	35.31	3.52	2.70
4	Consumer loans	3 062 383 503	3 353 818 405	4.73	8.11	9.69
5	Loans for energy industry	1 104 730 929	828 022 029	21.78	2.92	2.39
6	Loans for manufacturing industry	2 712 489 291	2 538 482 578	11.57	7.18	7.33
7	Trade loans	11 648 538 828	10 283 464 314	17.51	30.84	29.71
8	Loans for non-banking financial environment	1 455 069 661	1 457 404 175	1.79	3.85	4.21
9	Loans for real estate purchasing/construction	2 343 693 741	2 303 660 276	5.80	6.20	6.65
10	Loans for non-commercial organizations	3 181 567	125 046 823	0.05	0.01	0.36
11	Loans for employed individuals	1 168 921 247	869 130 645	9.45	3.09	2.51
12	Loans for transport, telecommunications and network development field	2 225 315 235	1 999 092 296	15.95	5.89	5.77
13	Loans for provision of services field	2 754 920 948	2 274 369 387	48.28	7.29	6.57
14	Other loans	1 416 966 918	1 585 346 541	8.20	3.75	4.58
	Total	37 775 225 063	34 618 540 958	16.38	100	100

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

Dynamics of bank average interest rate. During 2016, the bank loans have become cheaper in a slower rate than deposits, thus the average rate on new loans was by 4.35 p.p. lower and on deposits – by 8.53% at the end of 2016. The sudden deduction in price of bank deposits has at least two reasons:

1. repletion of the banking system with resources in the absence of a profitable and fair-risk investment offer and
2. deposits have become the most expensive resource attracted by the banking system given the high ratio of required reserves for which it is very complicated to find investment which could cover their attraction and management costs.

At the same time, it is notable that volume of deposits had an increasing trend even against the interest rate reduction. This, indicates the desire of population to use the bank deposit as a mean of storing money not saving them. Additionally, the population has no alternative because the market of other saving instruments is poorly developed and some segments are even lacking.

The net interest margin in the banking sector of the Republic of Moldova indicates the profitability of the main banks activity – purchase and sale of funds. Even against the rates fluctuations on bank deposits and loans it remained practically constant during 2016, that

means a stable relation between the bank efficiency indicators and rates for financial assets on the market. The banks maintain the profitability of the main activity on the level of inflation rate and this can be considered to be encouraging (in the opposite case we witness the erosion of bank profits, the value of returns being lower than their amount), because the profit growth of interest has a quantitative form and value consistency. Concurrently, given a narrow market of bank investment, the domestic banks could capitalize their investment potential in such a way as to remain profitable (at the level of main activity) even at high costs generated by the interest rates on deposits and an austere policy of the NBM on the monetary market.

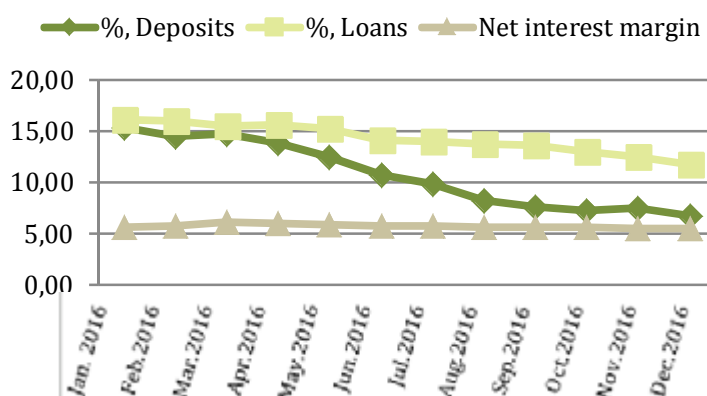


Figure 3.2.11. Development of net interest margin, average interest rates on deposits and loans in MDL, %
Source: According to the data of the National Bank of Moldova.

In 2016, the increase in the volume of deposits attracted both in national currency and foreign currency was registered. On December 31, 2016 the balance of bank deposits amounted to 54838.51 mln. MDL increasing by 9.24% or 4637.01 mln. MDL compared to December 31, 2015. The growth of deposits balance in national currency and gradual decrease of those in convertible currency leads to the conclusion that the bank customers are less deranged by the fluctuations of the national currency exchange rate than the low profitability of deposits in foreign currency. At the same time, the high weight of individuals' deposits balance denotes that the resources attracted by banks are directly dependent on the savings of the population which come largely of the remittances of the relatives working abroad. This source cannot be considered safe and has a long-term decreasing trend.

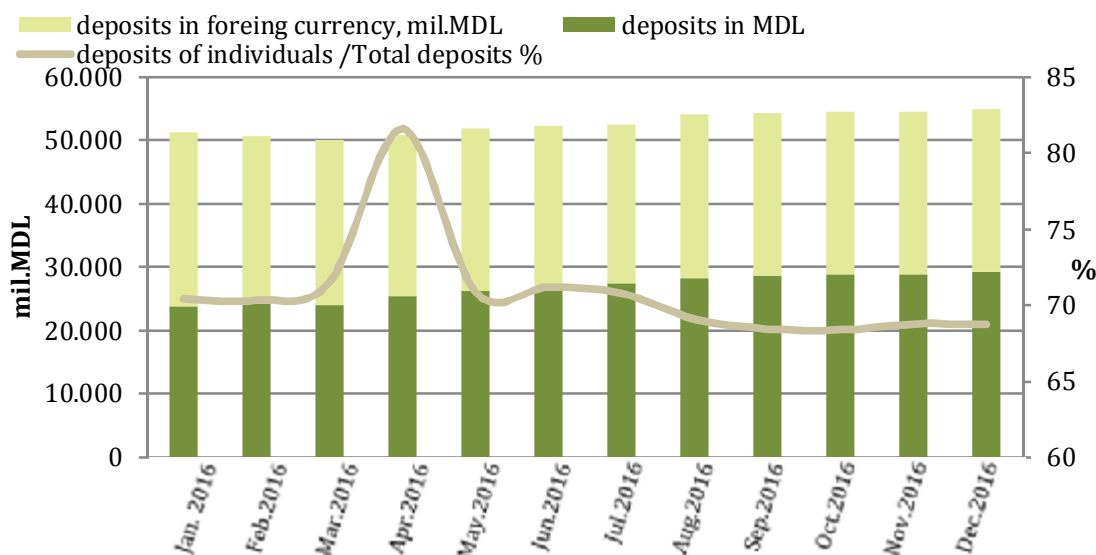


Figure 3.2.12. Development of deposits attracted by banks, mln. MDL
Source: Authors' calculations according to the data of the National Bank of Moldova.

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

The banking sector in the region to the left of the Dniester River has recorded growth trends in the main activity indicators. During 2016, the development of bank assets in Transnistrian region was situated on an increasing trend recording a growth of 17.4% compared to December 31, 2015 which amounted to 1019 mln. rubles in value units. On December 31, 2016, the total assets of the banking system in the region totaled 6879.9 mln. rubles. On December 31, 2016 the balance of loans provided to the economic sector accounted for 4561.1 mln. rubles by 19.5% more compared to December 31, 2015. The balance of attracted deposits amounted to 1867.9 mln. rubles, on December 31, 2016 by 8.6% less compared to December 31, 2015. By reason of the low level of deposits' attraction, the banks need to make great efforts to attract other sources, so that the balance of non-depositary attracted resources increased by 494.1 mln. rubles or 14.65%. At the end of 2016, the bank capital has also recorded an increase amounting to 1303.50 mln. rubles leading to the conclusion of a profitable activity of the Transnistrian banks due to the primary source of bank capital rise which remains to be the undistributed profit growth in the component of the equity capital. Therefore, during 2016 the increase of the equity capital for all 6 banks amounted to 483.4 mln. rubles or 37%.

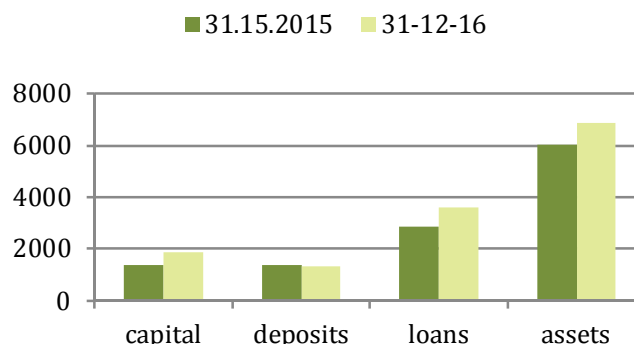


Figure 3.2.13. Development of assets, capital, deposits and loans in the banking system in Transnistrian region, million rubles

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

The increase of banks capital has had an uneven distribution for the Transnistrian banks. Thus, if Prednestrovskii bank has increased its capital by 2.96 times, then 2 banks and namely Eximbank and Bank Selihozrazvitia have decreased it, this fact leads to the conclusion of certain losses recorded during 2016.

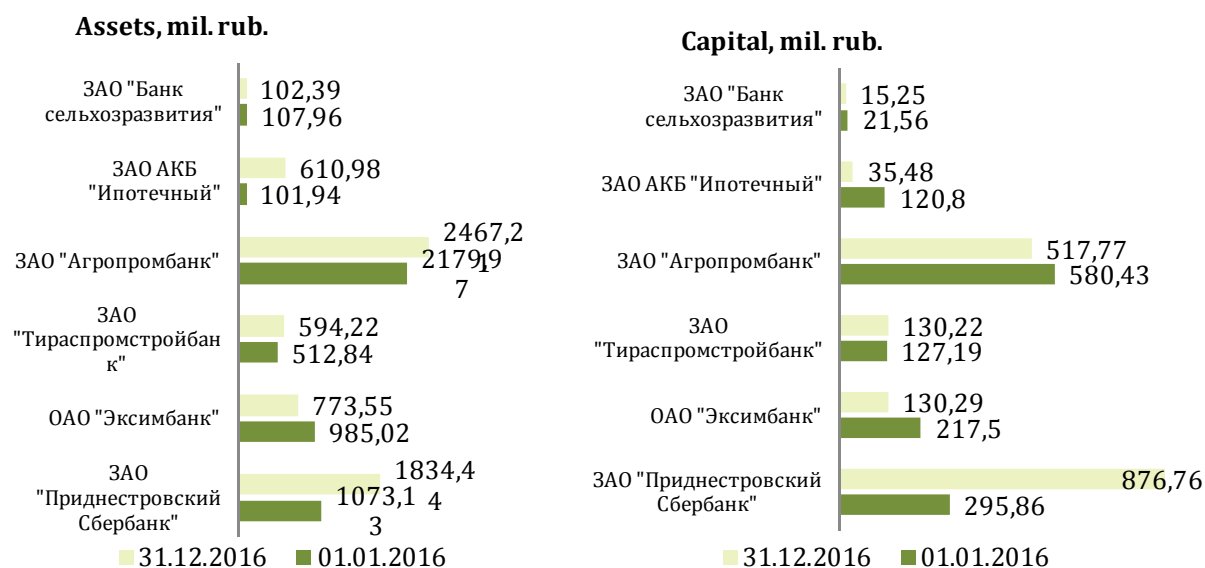


Figure 3.2.14. Development of assets and capital distributed to banks in Transnistrian region, million rubles

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

The way in which the capital and assets for these two banks are compressed suggests the conclusion that the Transnistrian banking system is in the process of optimizing the number of banks in the region. In our view, these 6 banks are already too many for such a restricted area with such a limited economic potential. For the other banks in the region, 2016 was a very productive year, facts attesting the redistribution of the banking business in Transnistrian region.

Chapter IV

EXTERNAL SECTOR

Balance of payments

In 2016, the current account balance of balance of payments was declining by 33.3% compared to 2015. The current account has registered a deficit of 276.6 mln.USD, decreasing by 33.3% compared to 2015 (414.84 mln. USD). The improvement of current account development was determined by the growth by 61.9% of services followed by the increase of secondary revenues by 3.2% and a 1.5% decline of the deficit recorded in the external trade in goods. Compared to 2015, the weight of current account deficit in GDP was of 4.1%, by 2.3 p.p. less.

In 2016, **the balance of services** amounted to 211.9 mln. USD, increasing by 61.9% compared to 2015. The positive balance increment of services was due to in the rise of exports by 8.1%, while the imports of services remained practically at the same level. Transport services hold a relevant weight both in receipts value (33.5%) and payments for services (35%). The value of transport services amounted to 351.2 mln. USD of which 60.2% came from transport of commodities, 25.1% of transport of passengers and 14.7% of other transport services.

The capital account, has recorded a negative balance of 46.71 mln. USD, after diminishing the external assistance returns received by the public administration for finance of investment projects (by 5.5 times) compared to 2015.

Table 4.1. Balance of payments of the Republic of Moldova, mln. USD (preliminary data)

Year	2012	2013	2014	2015	2016	2016/2015 (%)
Current account	-546.4	-405.5	-564.35	-414.8	-276.6	66.7
Goods	-2936.0	-2999.0	-3052.21	-1957.0	-1844.7	94.3
<i>Export</i>	2233.1	2469.6	1805.47	1507.0	1547.3	102.7
<i>Import</i>	-5169.2	-5468.6	4857.68	3595.1	3604.0	100.3
Services	9.1	15.6	120.38	130.9	211.9	161.9
<i>Export</i>	902.0	987.8	1127.59	968.4	1047.1	108.1
<i>Import</i>	-892.9	-972.2	1007.21	837.5	835.2	99.7
Primary revenues	817.3	872.7	826.92	457.9	449.2	98.1
<i>Returns</i>	1049.2	1163.3	1118.48	816.8	745.4	91.3
<i>Payments</i>	-231.9	-290.7	291.56	359.9	296.2	82.5
Secondary revenues	1563.2	1705.3	1540.56	1084.3	1119.0	103.2
Capital account	-36.7	-35.4	94.54	22.8	-46.7	-
Financial account	488.6	363.3	-563.66	-443.7	-289.9	65.4
Direct investment	175.3	213.9	-314.44	-227.9	-109.6	48.1
Portfolio investment	21.3	9.8	-13.74	-2.27	-0.76	33.5
Financial derivatives	-0.2	0.1	0.61	-0.7	0.5	-
Other investment	789.9	421.6	303.58	93.7	-711.2	-
Reserve assets	-497.6	-282.1	-538.5	-306.5	531.1	-
Remittances from abroad made in favour of individuals by licensed banks, net	1494.2	1609.0	1612.9	1129.4	1079.0	95.6

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

The financial account has registered returns worthing 289.9 mln. USD, as a result of the increase of national economy' liabilities compared to foreign currency by 442.6 mln. USD, while the external financial assets of the residents increased by 152.6 mln. USD.

Foreign direct investment

The investment activity during the last years has recorded a decrease from 242.7 mln. USD (2013) to 143.2 mln. USD (2016). The FDI net inflow value in the national economy was decreasing by 21.5% or by 39.3 mln. USD, compared to 2015. At the end of 2016, the foreign direct investment net inflow (FDI) in the national economy equated to 143.2 mln. USD. The FDI net inflow against the GDP accounted for 2.1%. At the same time, the FDI stock was up by 3.3% compared to 2015.

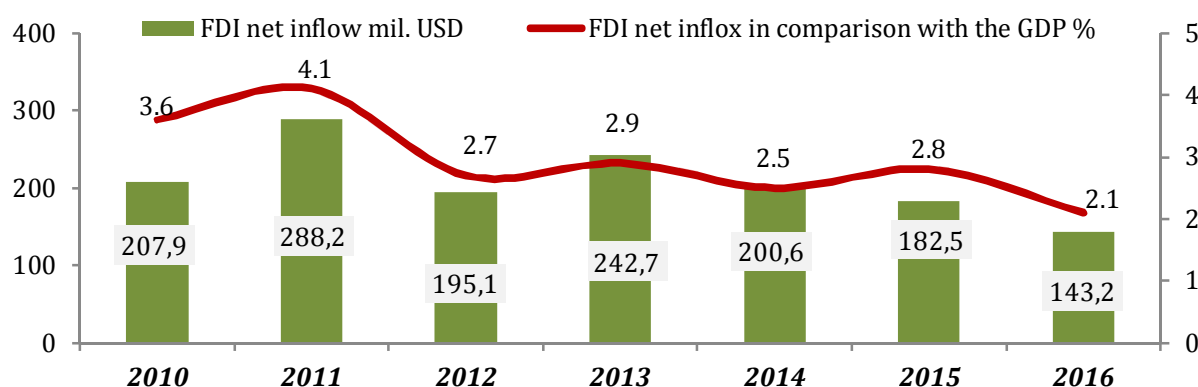


Figure 4.1. Development of FDI net inflow during the period 2010-2016, million USD
Source: According to the data of the National Bank of Moldova.

At the end of 2016, the FDI stock in the national economy was incoming by 115.3 mln. USD compared to 2015 (from 3466.1 mln. USD to 3581.4 mln. USD). The social capital and reinvested income hold a weight of 75.1% and intra-group loans (other capital) - 24.9% of total investment.

Membership of intra-group loans is mixed and represents the stock of loans contracted from the foreign direct investors in the amount of 925.8 mln. USD and the stock of debts in the form of loans granted by the resident enterprises with foreign capital provided to direct foreign investors - 33.3 mln. USD.

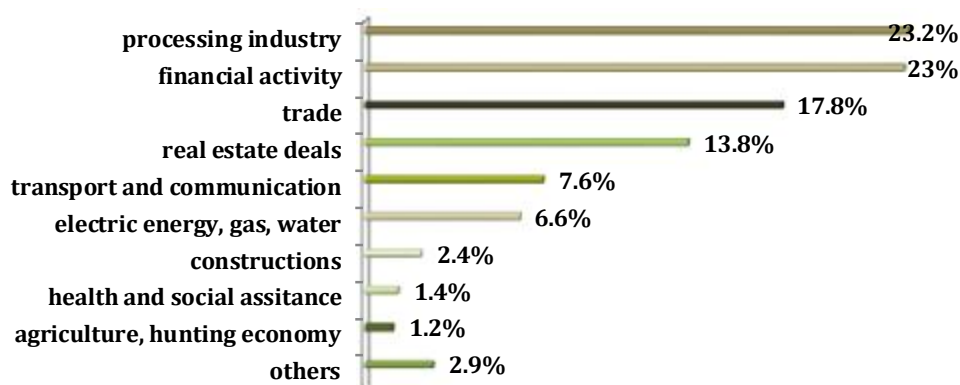


Figure 4.2. Distribution of FDI net inflow as joint stock by economic activities in 2016, %
Source: According to the data of the National Bank of Moldova.

During 2016, the main economic activity which benefited by the FDI is manufacturing industry (23.2%) in the form of social capital followed by the financial activity (23%).

Other activities which attracted foreign investors were the trade, real estate transactions, transports and telecommunication, energy industry.

Box 4.1. Contribution of free economic area on FDI net inflow in national economy

A significant contribution to the FDI net inflow in the national economy have had the 7 free economic areas which are an attraction for foreign and domestic investors, whose activity is mainly oriented towards the industrial production with high value added intended for export. As a result of the actions undertaken since their activity starting-up, the total volume of investment in free economic areas totaled 285.3 mln. USD. In 2016, the investment in free economic areas amounted to 55.2 mln. USD, and the total volume of industrial production turnover sales during this period accounted for 4.5 bln. MDL or by 10.4% more.

During 2016, through Moldovan Investment and Export Promotion Organization in the context of implementing the policies of investment attraction and developing the domestic enterprises exports and with foreign participation were attracted and/or extended 5 investment projects, created more than 1000 jobs, signed over 91 export agreements of which 40 – capitalized through export deliveries⁶.

In the geographical distribution of the accumulated social capital, the investors from EU countries owned the majority weight – 53.4%. The investors from CIS countries held a weight of 10.9% of total accumulated social capital and those from other countries – 35.7%.

Remittances from abroad

The volume of remittances from abroad have registered the lowest level in the last ten years. Though, the volume of remittances from abroad has considerably decreased, the remittances from Russia in favour of individuals remain at the top, Israelul second, Italy third and USA fourth.

The reduction of remittances from abroad is recorded the second consecutive year. In 2016, the volume of remittances from abroad made in favour of individuals has decreased by 50 mln. USD or by 4.5% compared to the previous year. **The volume of remittances from abroad amounted to 1079 mln. USD.** Merely, in 2016 the volume of remittances was lower recording 854 million Dollars. The remittances from abroad in 2016 accounted for 16% in GDP.

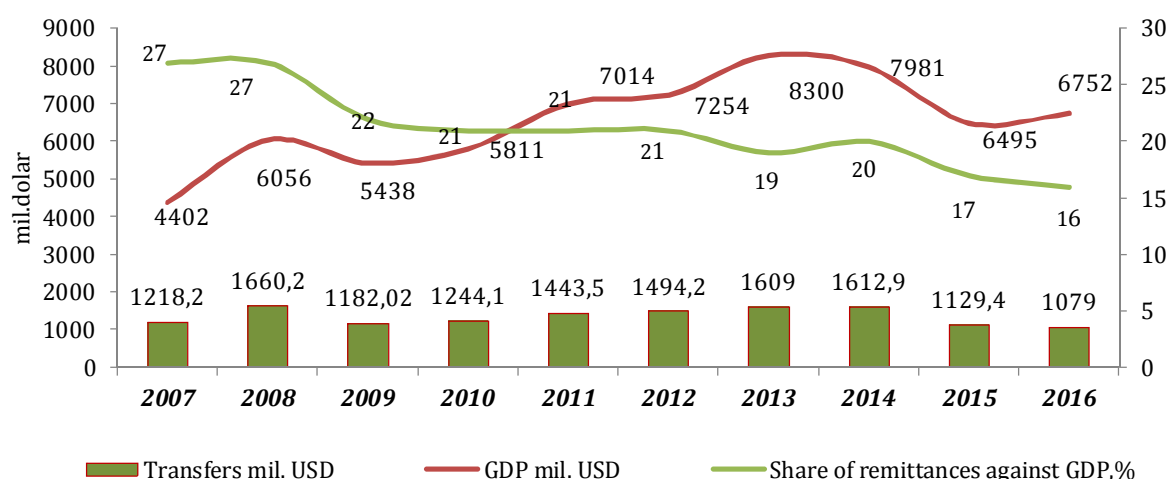


Figure 4.3. Remittances from abroad made in favour of individuals through the banks of the Republic of Moldova during 2007-2016, mln.USD

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

⁶ <http://www.mec.gov.md/ro/content/investitii-si-export>

The reduction of remittances from abroad compared to 2015 was also due to the depreciation of EUR against USD (by 1.2 p.p.). The remittances in Russian rubles was reduced by 49.4%. At the same time, the other remittances were rising: in Euro – by 5.9%, in Dollars – by 8.5% and other currencies – by 25.1%. Thus, the currency structure of remittances (recalculated in Dollars) in 2016 was as follows: USD – 530.1 mln., EUR – 428.6 mln., RUB – 118.5 mln. and other currencies 2 mln. USD.

According to the geographical origin of remittances in favour of individuals in comparison with 2015, **the CIS remittances** were decreasing by 21.5% recording a weight of 37.2%. **The remittances from EU** were up by 9.7%, registering a weight of 31.8%, remittances from other countries accounted for 31% in 2016.

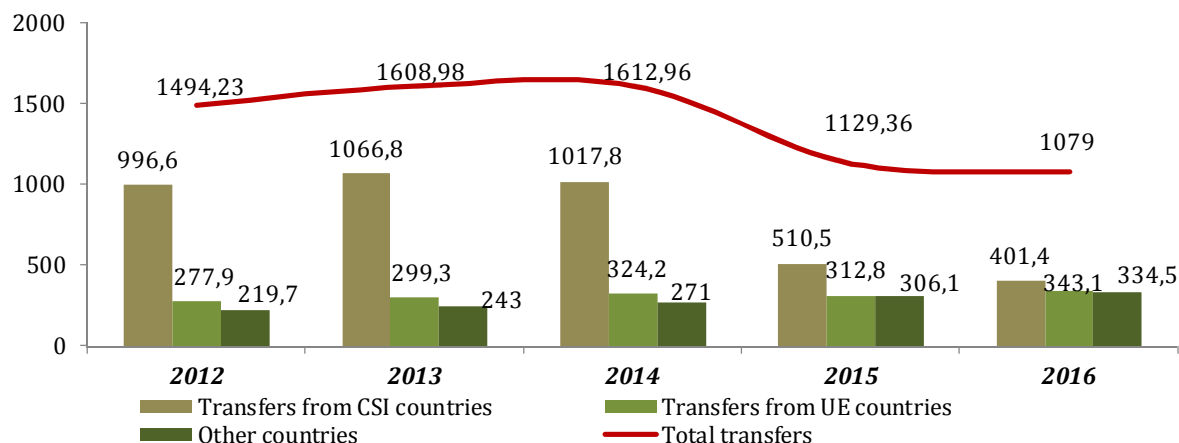


Figure 4.4. Dynamics of remittances by groups of countries in favour of individuals during the period 2012-2016, million USD

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

The remittances from CIS amounted to 401.4 mln. USD. The remittances from the Russian Federation continue to be the main source of remittances holding a major weight of 96.6% of total remittances from CIS. The remittances from other CIS countries have the following weights: Ukraine – 1.4%, Kazakhstan – 0.7%, Belarus – 0.5%, Azerbaijan – 0.3%, Uzbekistan – 0.2% and other CIS countries – 0.3%.

The remittances from EU amounted to 343.1 mln. USD. The remittances from Italy had the highest weight 38.9%, followed by remittances from Great Britain (12.9%), Germany (11.6%), France (7.3%), Spain (3.6%), Ireland (3%), Portugal (2.6%), Romania (2.5%), Cyprus (2.4%), Belgium (1.9%), Czech Republic (1.9%), Poland (1.8%) and Greece (1.4%) of total remittances from EU.

The highest weight **of remittances from other countries** are from Israel, USA and Turkey (82.7% of total), increasing by about 5 p.p. compared to the previous year.

In 2016, in the analysis of remittances in favour of individuals by countries distribution the main partner of the Republic of Moldova remains Russia with a weight of 35.9%, Israel – 14.2%, Italy – 12.4%, USA – 9.9%, Great Britain – 4.1%, Germany – 3.7%, France – 2.3%, Turkey – 1.5%, Spain – 1.1%, Romania – 0.8%, Cyprus – 0.8% și Kazakhstan – 0.3%, others 13%.

In the first two months of 2017, the volume of remittances from abroad made in favour of individuals amounted to 154 million USD, increasing by 17% compared to the same period of the last year. In January, the remittances equated to 73 de million Dollars and in February 79 million Dollars. Over 49% of remittances were made in Dollars, about 42% in Euro and 9% in Rubles.

Foreign trade in goods

In 2016, the foreign trade in goods has recorded a 1.8% growth compared to the previous year. It is worth mentioning that the co-report between export/import, as a positive factor has the tendency to increase the export weight and to decrease the import weight.

In 2016, the foreign trade in goods was up by 111.8 mln. USD and amounted to 6065.5 mln. USD.

Table 4.2. Dynamics of trade exchanges during the period 2015-2016, mln.USD

	2015	2016	Dynamics 2016/2015
	mln. USD	mln. USD	%
Foreign trade in goods	5953.7	6065.5	1.8
Export	1966.8	2045.3	4
Import	3986.9	4020.3	0.8
Balance of trade	2020	1975	-2.2

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

- **The exports of goods continued to reduce in the last four years.** Since 2013, these declined from 2428,3 mln. USD to 2045,3 mln. USD (2016). Thus, in 2016, the value of exported products decreased by 12,6% against 2013.
- At the same time, **the volume of imported products** has also begun to decline since 2013. Hence, in 2016 the value of imported products declined by about 27% compared to 2013 when the value of import reached the maximum amount (5492,4 mln. USD).

In 2016, the exports of goods amounted to 2045,3 ml. USD, increasing by 4% against 2015.

The exports of domestic goods accounted for **1350.9 mln. USD** rising by 3.6% in comparison with 2015 which contributed to the growth in total exports by 2.4% holding a weight of 60% in total exports.

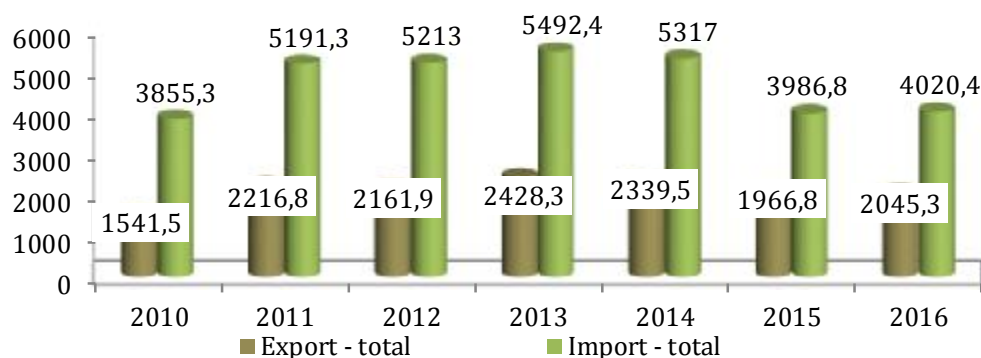


Figure 4.5. Dynamics of external trade in goods during the period 2010-2016, mln. USD

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

The re-exports of goods in 2016 amounted to **694.4 mln. USD**, increasing by 4.8% in comparison with 2015. **The re-exports of goods** form 34% of total exports. The re-exports of goods held – 22.1% of total exports after processing and the re-exports of classical goods which met no significant changes – 11.9%.

During the last years, the geography of exports went through important changes. The geographical structure of exports has fundamentally changed: the weight of exports to CIS countries decreased from 40.5% in 2010 to 20.3% in 2016, while the weight of exports to EU increased from 47.3% in 2010 to 65.1% in 2016.

In 2016, the exports of goods aimed for **EU countries** amounted to 1332.4 mln. USD, increasing by 9.4% compared to 2015. The exports of goods intended for EU countries held a weight of 65.1% (in 2015 – 61.9%).

The exports of goods for **CIS countries** accounted for 414.2 mln. USD, declining by 15.9% in comparison with 2015 and were presented in Moldovan exports with a weight of 20.3% (in 2015 – 25%).

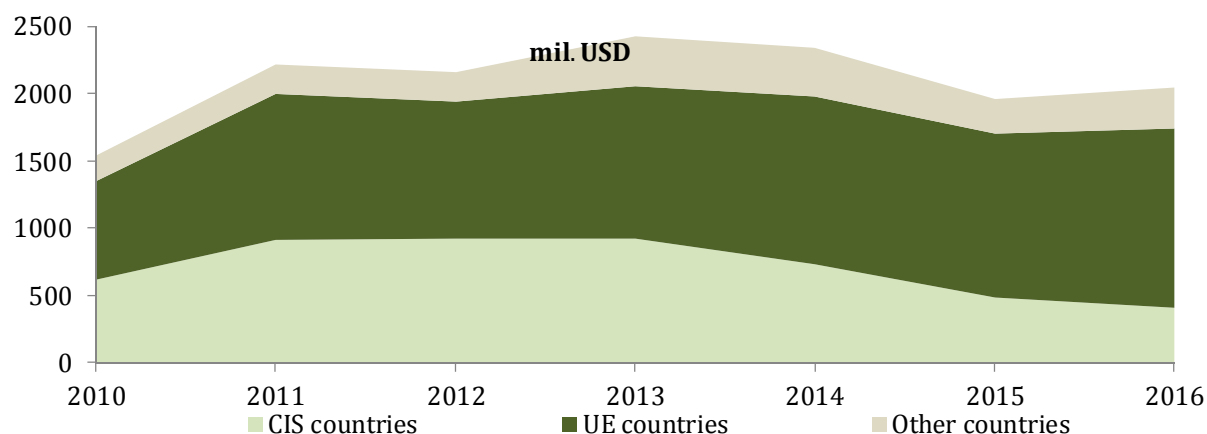


Figure 4.6. Exports of goods by groups of countries during the period 2010-2016, mln. USD

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

Box 4.2. Geographical reorientation of exports

The geographical reorientation of exports was due to more opportunities and certain constraints.

On the one hand, the commercial relations with the Russian Federation have degenerated, this applying trade constraints in 2006 and 2013 on imports of alcoholic beverages from our country and in 2014 it has also interdicted the import of processed meat and fruits. Russia applies customs duties at the level of sole price lists of the Customs Union (Russia-Belarus-Kazakhstan) on 19 categories of products, fruits, meat, sugar, wheat, beer, wines, etc., despite of the free trade area from CIS which includes also the Republic of Moldova. Thus, since September the duties on import of these products' categories are identical for Moldova with those levied in the case of other Member countries of World Trade Organization (WTO)¹.

On the other hand, the commercial relations with the European Union have seen an upward trend along with the enforcement of Generalized System of Preferences (GSP) in 2006, its completion in 2007 (GSP plus), application of Autonomous Trade Preferences (ATP) in 2008, culminated in the institution of Deep and Comprehensive Free Trade Area between the Republic of Moldova and European Union along with the enforcement of the Association Agreement in September, 2014. The growth of exports to EU is due to the increase in the number of domestic economic agents who direct their activity to the European market. The number of these companies is up from 1018 in 2013 to 1360 in 2016. It should be mentioned that one of the trade trend of the Republic of Moldova with the European Union is about the diversification of the exported product coverage in the EU which continues to increase from 1756 exported tariff positions in 2014 to 2102 tariff positions in 2015².

¹ The impact on the EBRD region of Russia's food ban. <http://www.ebrd.com/news/2014/the-impact-on-the-ebrd-region-of-russias-food-ban.html>

² <http://mec.gov.md/ro/content/2016-exporturile-republicii-moldova-catre-tarile-uniunii-europene-au-detinut-o-cota-de-pest>

In 2016, the analysis of exports development by countries compared to 2015 shows an increase in the exports to Romania by (14.9%), Bulgaria (by 2.7 times), Germany by (8.0%), Switzerland by (25.8%), Irak by (53.8%), Malaysia (by 3.3 times), Poland by (7.2%), Austria by (26.1%), China (by 1.7 times), Israel (by 3.4 times), Portugal (by 14.9 times), Ukraine by (8.4%), Greece by (16.1%), Hungary (by 2.1 times), Macedonia (by 2.6 times) and Myanmar (by 4.5 times) which favoured the increase in total exports by 10%.

Meanwhile, there are reductions in deliveries to Kazakhstan by (77.5%), Belarus by (21.3%), the United Kingdom of Great Britain and Northern Ireland by (17.2%), Russian Federation by (3.1%), Indonesia by (66.6%), The United States of America by (22.8%), Latvia by (49.8%) and Cyprus by (46.7%), thus decreasing the growth in total exports by 6.4%.

The exports of goods by types of products have also changed. In 2016 compared to 2015 there were increases in exports of cereals and cereal products by (34%), seeds and oleaginous fruits by (13.6%), furniture by (25.1%), yarns, fabrics and textile items by (41.6%), clothing and accessories by (6.7%), alcoholic and non-alcoholic beverages by (2.2%), sugar and sugar products, honey by (9.9%), milk products and poultry eggs by (29.4%), etc., which have contributed to the increase in total exports by 9.9%. Therefore, there were reduced the exports in fruits and vegetables (18.8%), medicinal and pharmaceutical products (35.6%), fixed, crude, refined or fractioneer fats and vegetable oils (24.8%), petroleum, fuel products and related products (-33%), power generating machines and their equipments (60.5%), textile staples (79.5%) and others, mitigating the increase in total exports by 6,2%.

The imports of goods, in 2016 totaled 4020,3 mln. USD, increasing by 0,8 % in comparison with 2015.

The imports of goods from EU countries amounted to **1973,7 mln. USD, increasing by 10%** in comparison with 2015, holding a weight of 49,1% in total imports (49,0% – in 2015). **The imports of goods from CIS countries** accounted for 1027,4 mln. USD by – 0,9% more compared to 2015, holding a weight of 25,6% in total imports (25,5% – in 2015).

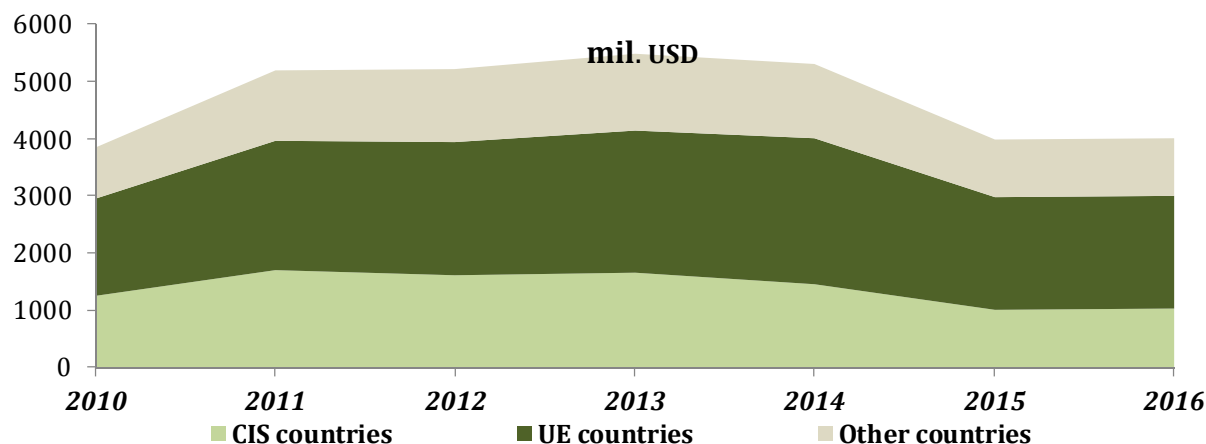


Figure 4.7. Imports of goods by groups of countries during the period 2010-2016, mln. USD

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

In 2016, the development of imports by countries in comparison with 2015 highlights increments in the imports from China by (7.4%), Belarus by (20.4%), Ukraine by (3.4%), Hungary by (15.6%), Vietnam (by 1.9 times), Poland by (8.1%), France by (11.0%) and the United Kingdom of Great Britain and Northern Ireland by (16.8%), thus declining the decrease in total imports by 2,7%. At the same time, there was recorded the reduction of deliveries from Austria by (17.6%), Israel by (60.0%), Turkey by (4.6%), Bulgaria by (15.8%), Japan by (33.1%),

Kazakhstan by (71.4%) and Uzbekistan by (77.0%) which influenced the decrement in total imports by 2.2%.

In comparison with 2015, **there were seen rises in imports of** yarns, fabrics and textile items by (20,1%), road vehicles by (23.4%), clothing and accessories by (30.1%), alconolic and non-alcoholic beverages by (25.9%), sugar, sugar preparations; honey (by 2 times), machinery and specialized equipment for specific industries by (6.5%), processed metal items (8.5%), processed rubber by (12.2%), fish, shellfish, molluscs by (17.8%), processed leather and fur by (21.2%), machinery and office or automatic data processing instruments by (25.5%), footwear by (47.9%) contributing to the increase in total imports by 4.5%. Meanwhile, **there were reduced the imports of** gas and industrial gas products by (20.6%), petroleum, petroleum and related products by (7.9%), fruits and vegetables by (18,9%), machinery and industrial instruments with general applications by (11%), non-ferrous metals by (18.4%), professional, scientific and control instruments and apparatus by (26.3%), iron and steel by (9.5%), coal, coke and briquettes by (50.3%) decreasing the imports by 4.4%.

In 2016, the considerable gap between the exports and imports development led to the formation of a balance of trade deficit amounting to 1975 mln. USD, by 45 mln. USD or by 2.2% lower than in 2015 (2020 mln. USD).

With the EU countries, the balance of trade ended in a **deficit of 641.3 mln. USD** (in 2015 – 736.7 mln. USD), and **with CIS countries** – in a **deficit of 613.2 mln. USD** (in 2015 – 525.8 mln. USD).

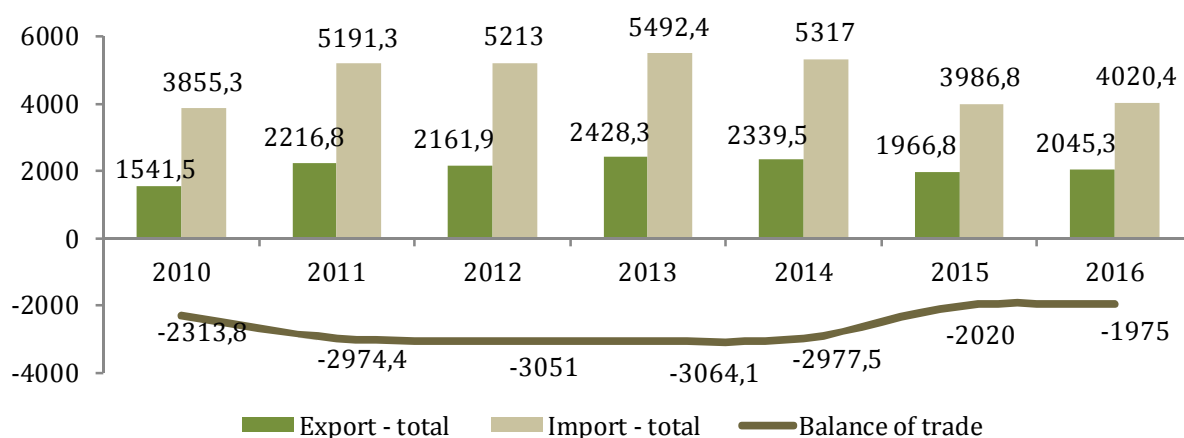


Figure 4.8. Trends of external trade during the period 2010-2016, mln. USD

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

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

During the last three years in Transnistrian region it is recorded a negative dynamics of the external trade. In 2016, the external trade transactions in goods have decreased by 20,7% compared to 2015 or by 360,4 mln. USD accounting for 1388,9 mln. USD. During the reviewed period, both the exports and imports have declined in comparison with 2015. **The export of goods** dropped by 13% (the export of goods amounted to 531,1 mln. USD) and **the import of goods** - by 12,3% (the imports of goods accounted for 858 mln. USD). **The balance of trade** amounted to 327,4 mln. USD against 527 mln. USD in 2015.

The low turnover of Transnistrian region compared to neighboring countries is explained by the problems of goods' customs formalities clearance, restriction of railway traffic through Ukraine as well as the deficit of foreign currency in the region and insufficient use of production capacity.

The reduction of export of metal and metal products and energy products has had a negative influence on the export. The export of metal holds a significant weight in total exports. In 2016, this weight was 16%, less by 5% compared to 2015. A decrease of 2% (from 37% in 2015 to 35% in 2016) is attested in energy products. At the same time, in light industry were registered positive trends, a slight growth of 4,8% in comparison with 2015.

In 2016, the Transnistrian region made external trade transactions in 85 countries (in 2015 - 82 countries), including 10 CIS countries. The export of goods to EU and CIS has recorded a negative trend. The value of exports of goods aimed for EU countries amounted to 174 mln. USD dropping by 16,5%, compared to 2015. The value of exports of goods to CIS countries declined by 11% to 356,4 mln. USD.

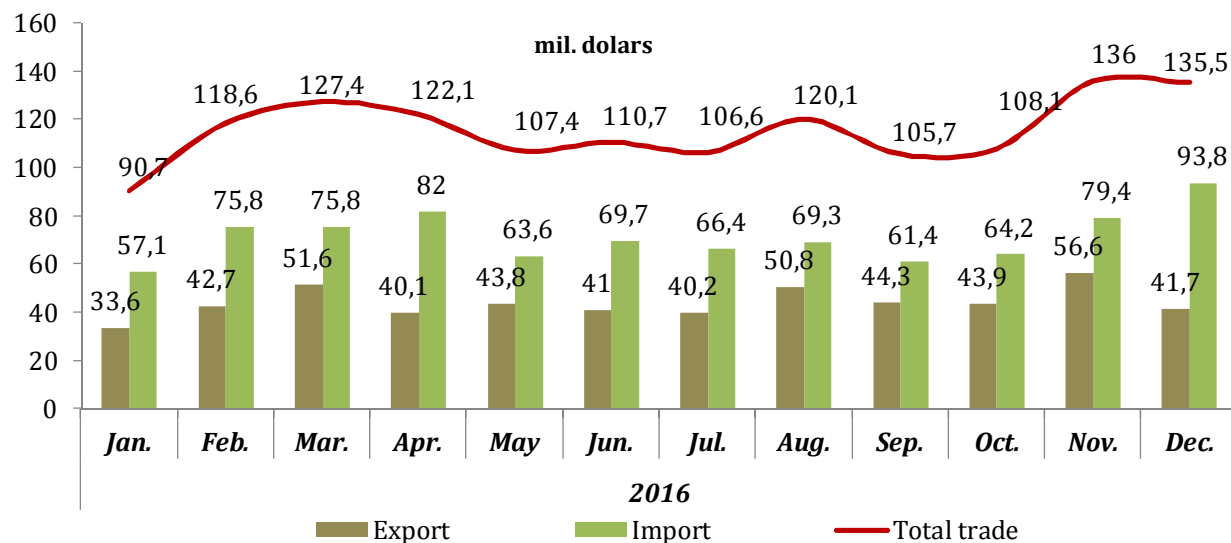


Figure 4.9. Development of external trade in Transnistrian region in 2016, monthly, mln. USD

Source: According to the data, <http://customs.gospmr.org/2014.html>

The main partners of Transnistrian region are: Moldova – with a weight of 46,2%, Romania – 11,4%, Ukraine – 11%, Russia – 8,7%, Italy – 7,6% of total exports.

Chapter V

BUSINESS ENVIRONMENT

Dynamics of registered and deregistered enterprises in 2015-2016.

On March 1, 2017 the State Register had informations about 171 771 legal entities and individual entrepreneurs according to the data of the State Registration Chamber. The number of enterprises registered by the State Registration Chamber has significantly diminished in Q IV of 2016 compared to the same period of the previous year, the index amounting to 92,9%. At the same time, this was up by 8,8% against Q III of 2016.

Globally, the number of enterprises registered in 2016 has indicated a decrease of 5,3% compared to the previous year. Thus, 5673 new enterprises were recorded in the State Register in 2016 according to the data of the State Registration Chamber.

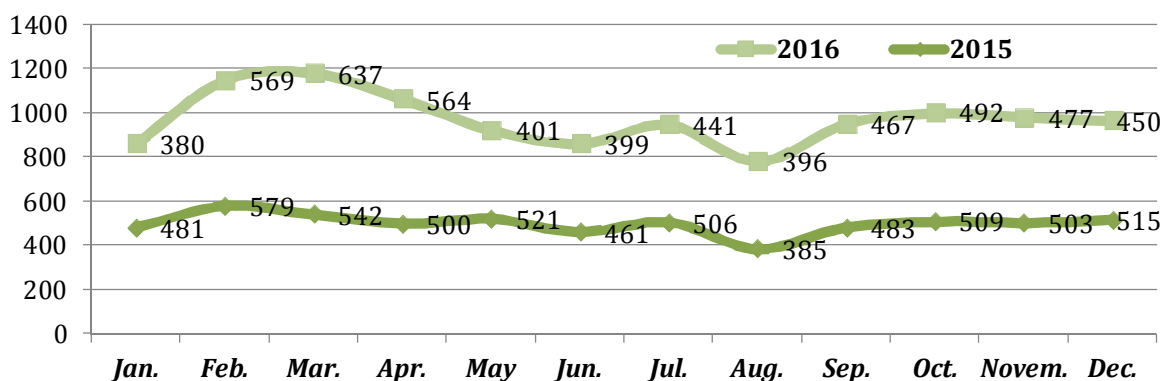


Figure 5.1. Dynamics of registered enterprises in 2015-2016

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

A negative warning is also the continuation of increasing trend in the number of deregistered enterprises against the decrease in the number of registered enterprises during the period 2015-2016. Therefore, in 2016 the number of deregistered enterprises amounted to 4055 units or by 3,8% more than in 2015. Meanwhile, in the last quarter of the year the number of deregistered enterprises accounted for 831 units or by 23,9% less sply.

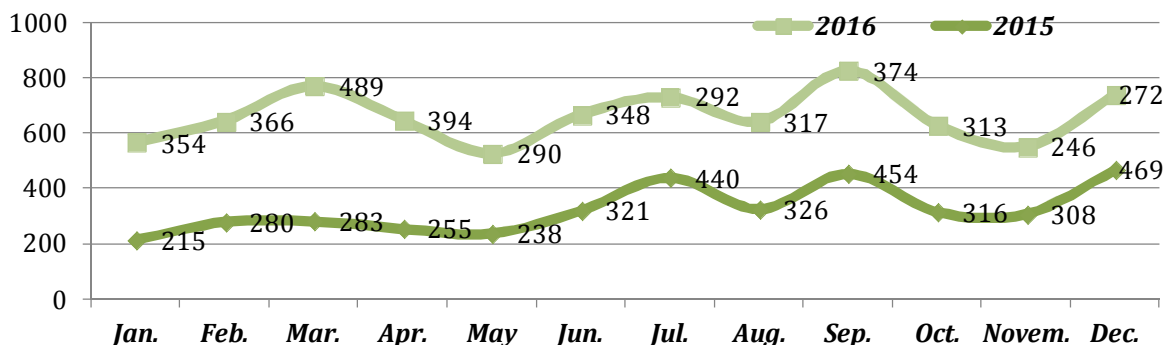


Figure 5.2. Dynamics of deregistered enterprises during the period 2015-2016

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

During the period 2007-2016, a downward trend in the number of registered enterprises is observed. In comparison with 2007 when 11480 registrations across the country were made, in 2016 this indicator was reduced to 5673 registrations decreasing by 50,6%.

On the other side, a note of warning is the increase in the number of deregistered enterprises in the State Register. Thus, if in 2007 1915 enterprises were deregistered in the State Register, their number reached 4055 enterprises in 2016 increasing by 2,1 times.

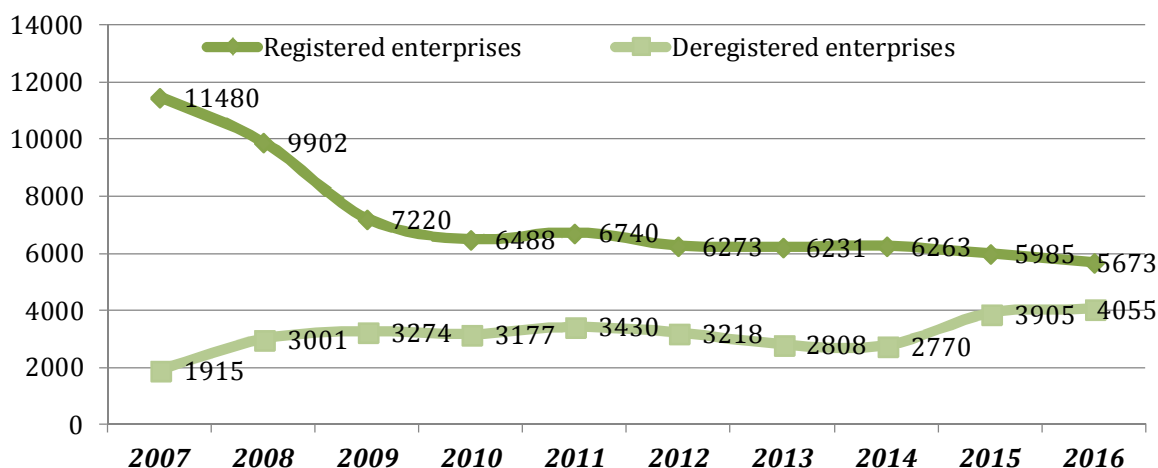


Figure 5.3. Dynamics of registrations and deregistrations in the State Register, 2007-2016, units

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

At the same time, during the period 2008-2016 (Fig. 5.4.) a negative trend in the net number of created enterprises is observed, their number diminished by 76,5% during the analyzed period (except 2013 and 2014, which showed an increase in the net number of created enterprises sply, with a growth rate of 12% and 2%, respectively).

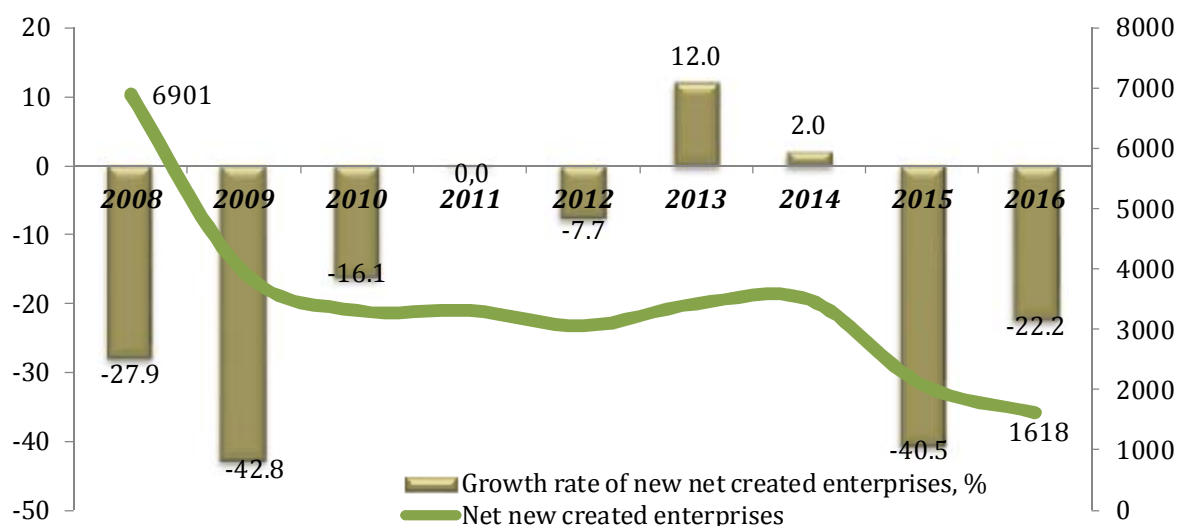


Figure 5.4. Dynamics of net number of enterprises in State Register, 2008-2016

Source: Compiled by authors according to the data of the State Registration Chamber.

In Q IV, 2016, the number of enterprises registered by the State Registration Chamber has decreased by 7,1% sply, continuing the downward trend recorded in Q IV of 2011-2016 (except Q IV, 2012 and Q IV, 2015 when a slight increase was recorded).

In the State Register, in Q IV of 2016 1419 new enterprises were registered according to the data of the State Registration Chamber.

Table 5.1. Growth indices in the number of registered and deregistered enterprises in Q IV 2011-2016 compared to the same period of the previous year, %

	Enterprises registration	Enterprises deregistration
Quarter IV 2011	98.4	83.4
Quarter IV 2012	100.1	94.3
Quarter IV 2013	94.3	102.9
Quarter IV 2014	93.9	93.4
Quarter IV 2015	105.2	149.5
Quarter IV 2016	92.9	76.0

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

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

During the period January-September, 2016 in the region of the left bank of the Dniester River in the small business sector 3873 enterprises were functioning. In the first 9 months of 2016, in the small business sector, including small and micro enterprises (except individuals) 19144 people were employed, decreasing by 2,9% sply. During this period, the following economic sectors register a downward trend in the number of employees (in industry sector a decrease of -12,4%, in constructions -9,1%, in communication sector -19,1%, in recreation and tourism -8,9%, in trade and food service -2,9%, real estate operations -5,4%). At the same time, during the reviewed period (January-September 2016) certain economic sectors show an upward trend in the average number of employees. These are Agriculture, Transport, Logistics and distribution, General trade activity, Housing and Communal services household, Education, Culture and art which recorded an increase in the average number of employees sply.

Table 5.2. Data on average number of employees in small business sector enterprises³, including small and micro enterprises (without individuals) from the left of the Dniester by types of activity, in January-September 2016

	January-September 2016, pers.	January-September 2015, pers.	Indices, %
Total	19144	19717	97.1
Industry	2863	3269	87.6
Agriculture	2328	1913	121.7
Transport	832	815	102.1
Communication	72	89	80.9
Construction	2005	2206	90.9
Trade and food service	7201	7417	97.1
Logistics and distribution	32	31	103.2
Real estate operations	901	952	94.6
General trade activity	345	329	104.9
Publishing	96	102	94.1
Housing and communal services household	477	453	105.3
Health and social insurance	241	242	99.6
Education	304	296	102.7
Culture and art	133	129	103.1
Recreation and tourism	349	383	91.1
Other branches	451	464	97.2

Source: "Main activity indicators of small businesses, including small and micro enterprises (without individuals) for January-September 2016".

³ Data are presented for small business sector enterprises, including small and micro enterprises, with the average number of employees up to 50 persons and annual turnover up to 1200000 RU MZP (calculated level of minimum salary) 1 RU MZP is tantamount to 12,7 Transnistrian RUB (2015)

Chapter VI

SOCIAL SECTOR

Demographic situation.

2016 is characterized by the decrease of several natural movement indicators such as the number of live births, deaths, marriages, divorces in the most regions of the country. The infant mortality has reduced especially due to Central and Northern regions. The weight of malignant tumors has increased and the weight of circulatory system diseases has decreased among causes of deaths. The natural decrease remained at the level of the previous year.

In 2016, the total number of live births in the country amounted to 37390 pers., decreasing by 3.2% compared to the previous year, the birth rate accounting for 10.5 live births per 1000 inhabitants according to the preliminary data of the NBS. The number of deaths amounted to 38487 pers., recording a decline of 3.6% in comparison with 2015 and mortality rate constituted 10.8 deaths per 1000 inhabitants. In 2016, the number of deaths of children aged under 1 year numbered 352 cases and has diminished by 23 cases compared to last year and infant mortality rate was 9.4 deaths aged under 1 year per 1000 live births.

The years 1999-2010 are characterized by a negative natural growth presenting fluctuations during the period according to Figure 6.1. During this time, the highest natural decreases were registered in 2003 (-1.8‰) and 2005 (-1.9‰). During 2011-2012, the natural growth became null more because of a low number of deaths. After this period, a continuing decreasing trend of the natural growth has followed which became negative and relatively stable due to the decrease both in the number of live births and deaths reaching -0.3‰ in 2016.

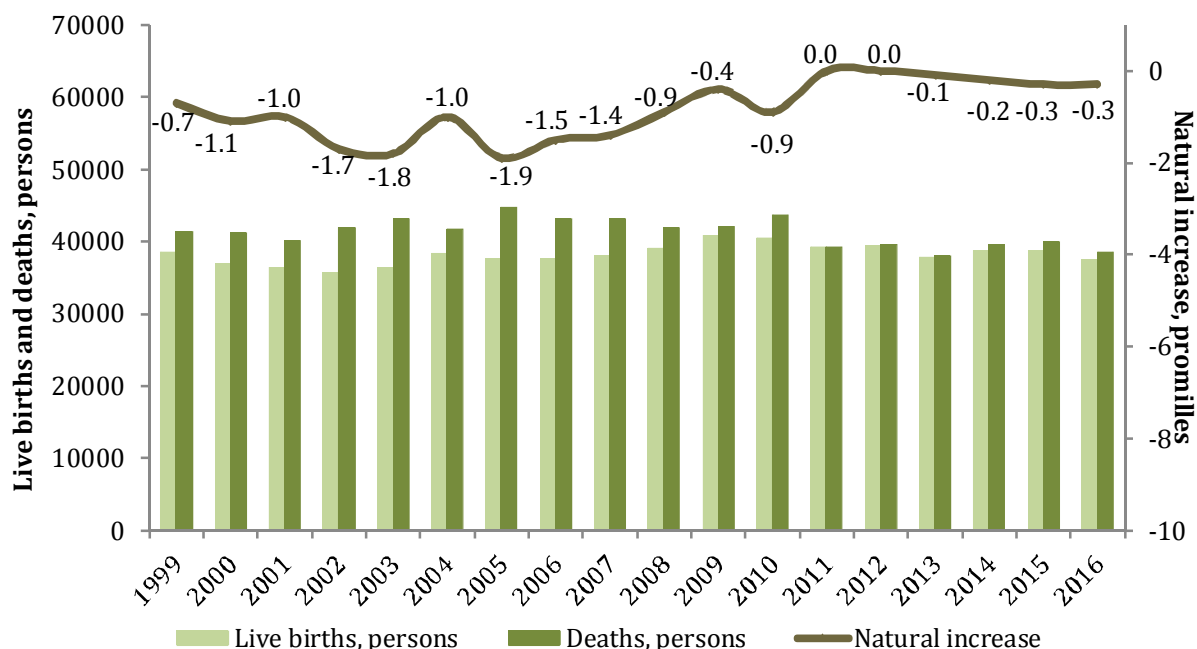


Figure 6.1. Natural movement of population during 1999-2016

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

The most deaths are caused by the circulatory system diseases – 57.0%, malignant tumors – 16.0%, digestive system diseases – 9.6%, accidents, intoxications and traumas – 7.0%, respiratory diseases – 4.4%, and other classes – 6.0% according to causes of deaths.

In 2016, the natural movement of Moldovan population by development regions shows that Chisinau municipality, Northern and Central regions have registered the most live births and also deaths aged under 1 year. The most deaths and natural decreases, respectively of these regions were in Northern and Central regions. Chisinau municipality and ATU Gagauzia are the only regions with a positive natural increase. The marriages and divorces were more numerous in Central, Northern regions and Chisinau municipality. The least divorces were recorded in ATU Gagauzia in comparison with other regions.

The highest birth rate was registered in Chisinau municipality and the lowest – in South region. In Chisinau municipality and ATU Gagauzia, the natural growth is positive unlike Northern, Central and Southern regions where the overall mortality and natural decrease are the highest ones. The highest marriage and divorce rates were recorded in Chisinau municipality and Central region.

Territorially, the highest natural decrease rates were registered in the following districts: Donduseni (-7.5‰), Ocnita (-7.4‰), Briceni (-6.8‰), Drochia (-6.0‰), Soldanesti (-5.1‰), Cimislia (-4.5‰). In addition to Chisinau municipality and ATU Gagauzia, only Balti municipality (8.4‰) and Ialoveni (1.9‰) and Ungheni (0.7‰) districts have had positive natural increase rates and Cahul district has had a null natural increase (0.0‰).

Table 6.1. Natural movement of population in country by development regions in 2016

		Live births	Deaths	Deceased infants	Natural growth	Marriages	Divorces
Chisinau municipality	<i>pers.</i>	10243	6501	163	3742	5616	2817
	<i>‰</i>	12.5	7.9	-	4.6	6.9	3.4
North	<i>pers.</i>	9617	12365	69	-2748	5407	2606
	<i>‰</i>	9.8	12.6	-	-2.8	5.5	2.6
Center	<i>pers.</i>	10710	12118	72	-1408	6981	3442
	<i>‰</i>	10.1	11.5	-	-1.4	6.6	3.3
South	<i>pers.</i>	5081	5910	38	-829	2992	1435
	<i>‰</i>	9.6	11.1	-	-1.5	5.6	2.7
ATU Gagauzia	<i>pers.</i>	1739	1596	10	146	920	350
	<i>‰</i>	10.7	9.8	-	0.9	5.7	2.2

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

In 2016, the total number of *marriages* in the country amounted to 21916, declining by 11.3% compared to last year and marriage rate was 6.2 marriages per 1000 inhabitants. In the case of *divorces* in country, the indicator amounted to 10650, decreasing by 4.9% compared to the previous year. The divorce rate amounted to 3.0 divorces per 1000 inhabitants.

Territorially, the highest marriage and divorce rates were met in Anenii Noi district (8.0‰ and 7.3‰, respectively). The lowest marriage rate was in Ocnita (4.2‰), and the lowest divorce rate was in: Leova, Falesti, Glodeni, Sangerei districts and ATU Gagauzia – each by 2.2‰.

In 2016, 4080 foreign citizens, by 129 pers. less compared to the previous year have achieved residence permit in the country according to the informations of the Ministry of Internal Affairs. Most immigrants were from Ukraine (734 pers.) and the Russian Federation (705 pers.). According to the data of the Ministry of Information Technologies and Communications 2507

pers. emigrated out of the country with the permanent residence in other country. Most went to Russia (857 pers.) and USA (623 pers.). Most people are aged 15-44.

Labor market.

In 2016, the indicators on economic activity of workforce such as economic active population, employed population, activity rate, employment rate did not change significantly compared to the previous year. At the same time, the number of unemployed population has decreased (according to ILO) which has the lowest value in the entire period of 2010-2016, excepting 2014, when the employed population in 2016 reached the highest level from the last 7 years.

In 2016, the economic active population amounted to 1272.8 thousand pers., without changing significantly compared to last year. The activity rate of population was of 42.6% increasing insignificantly against previous year (42.4%). A higher weight of men (45.4%) than women (40.1%) was registered among the economic active population. The weight of economic active population in urban area was higher compared to the economic active population in rural area: 45.0% and 40.8%, respectively. In the age group of 15-29 years, the weight of economic active population had a value of 30.9%, and the group of 15-64 years – 47.2%. The economic activity rate of working age population amounted to 50.0%.

The employment rate of population aged 15 and over accounted for 40.8%, increasing insignificantly compared to the level of 2015 (40.3%). It was higher among men – 43.0% than women (39.0%). By distribution of residence areas, the employment rate was – 42.3% in urban area and – 39.7% in rural area. The employment rate of working age population (16-56/61 years) had the value of 47.7%, people aged 15-64 years – 45.2%, and the group of 15-29 years amounted to 28.4%.

The employed population accounted for 1219.5 thousand pers., reducing by 1.3% compared to the previous year. As in the case of economic active population, there were registered no disparities by gender – men – 49.7% and women – 50.3%. The weight of employed population in urban area was lower compared to rural area: in urban area – 45.9%, in rural area – 54.1%.

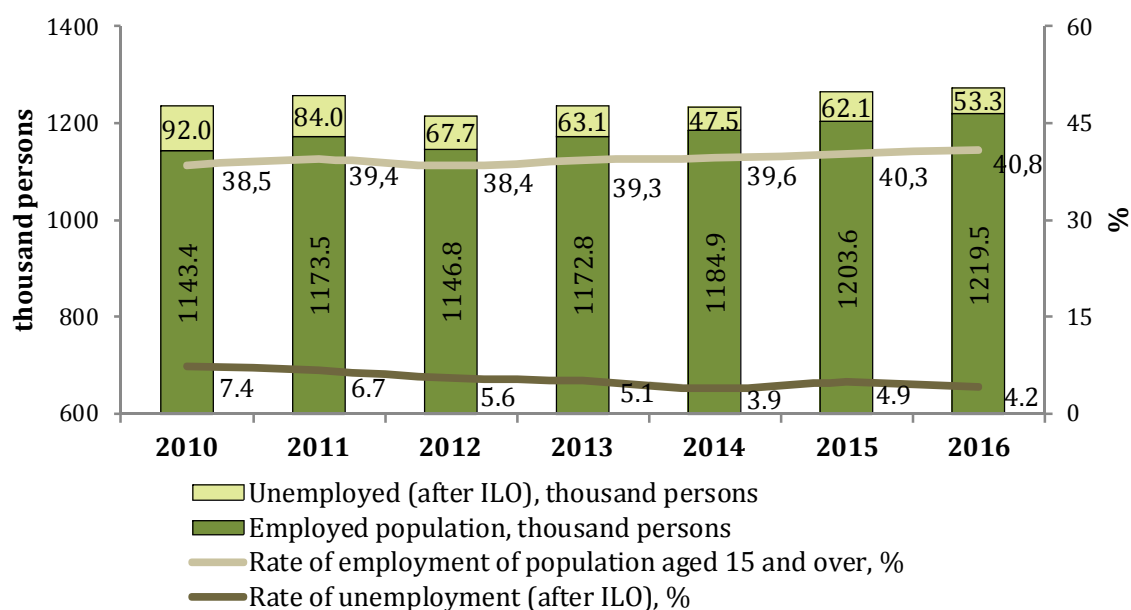


Figure 6.2. Trends in activity, employment and unemployment rates of the population aged 15 and over, in 2010-2016

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

The number of unemployed people amounted to 53.3 thousand pers. according to the International Labor Office decreasing compared to 2015 (62.1 thousand). The unemployment affected more men – 65.7% of total number of unemployed as well as among people in urban area – 67.0%.

The unemployment rate across the country was of 4.2% in 2016 decreasing compared to 2015 (4.9%). The unemployment rate for men amounted to 5.5% and for women – 2.9%. There were registered disparities by unemployment rate between the urban and rural areas (6.0% and 2.6%, respectively). The unemployment rate among young people (15-24 years) was of 11.2% and in the group age of 15-29 years amounted to 8.1%.

Box 6.1. Job vacancies on labor market in the Republic of Moldova

On December 27, 2016, 8246 job vacancies were registered according to the data of the National Agency for Employment. The most jobs were found in urban area. More job vacancies were in: Chisinau – 3391, Balti – 921, Floresti – 465, fewer offers were in: Briceni – 24, Dubasari – 20, Drochia – 15 job vacancies. For persons with higher and specialized secondary education were available 1830 job vacancies amounting to about 22% of total job vacancies and for persons with professional education and unskilled workers – 6416 jobs vacancies were available amounting to 78% of total job vacancies.

The number of registered unemployed population at the end of 2016 amounted to 26 889 pers. of which 12607 women. The unemployed people placed on labor market during December 2016 amounted to 5315 pers. of which 2281 women. At the end of the year, people taking advantage of professional integration and reintegration allowance amounted to 1763 of which 1281 were women. The average amount of unemployment benefit accounted for 1356.81 MDL per person.

Source: According to the data of the National Agency for Employment.
<http://www.anofm.md/files/documents/Piata%20muncii%2027.12.16.%20Zinadocx.docx>

Remuneration of labor.

2016 is characterized by decreases and unessential increases of salary indices in real terms during the period January-July 2016 and in August-December 2016 – significant increments – an opposite situation compared to 2015. At the same time, during 2016 compared to 2015 the difference between the average nominal salary in real sector and the average nominal salary in budget sector continued to rise, thus in January 2016 amounted to 587.1 MDL and in December 2016 accounted for 2155.7 MDL. At the end of 2016, the highest salaries were in Financial and insurance activities contrary to January 2016 when Information and communication activity was at the top. Production and supply of electricity and heat energy, gas, hot water and conditioned air was among the most paid activities.

In 2016, the average monthly salary in national economy accounted for 5084.0 MDL and increased in nominal value by 10.3% and by 3.7% in real terms adjusted to the consumer price index compared to the previous year.

In the last month of 2016 the average nominal salary was 6003.7 MDL, recording a growth of 14.8% compared to s.p.l.y. The real salary index for December, 2016 against December, 2015 was 112.1%, or more by 12.1% against the level of last year. In December, 2016, the average salary in the budget sector amounted to 4492.6 MDL (+8.0% compared to s.p.l.y.), in the real economic sector – 6648.3 MDL (+17.0% compared to s.p.l.y.). During 2016 in comparison with 2015, the difference between the average nominal salary in the real sector and the average nominal salary in the budget sector continued to increase, thus in January 2016 amounted to

587.1 MDL and in December, 2016 accounted for 2155.7 MDL. By types of economic activities, the highest average monthly salary in December, 2016 was recorded in: Financial and insurance activities – 16536.4 MDL, Production and supply of electricity and heat energy, gas, hot water and conditioned air – 12531.9 MDL, Information and communication – 12900.0 MDL, while in January, 2016 the first 3 most paid activities were: Information and communication (9534.2 MDL), Financial and insurance activities (9040.2 MDL), Other services activities (8351.3 MDL). The lowest salaries in December, 2016 received the people in the following economic activities: Agriculture, forestry and fishing – 4154.0 MDL, Accommodation activities and food service – 3657.5 MDL and Art, leisure and recreation activities – 3399.0 MDL. Against January, 2016 this classification changed only partially: Agriculture, forestry and fishing – 2677.1 MDL, Art, leisure and recreation activities – 3109.9 MDL and Accommodation activities and food service – 3194.0 MDL.

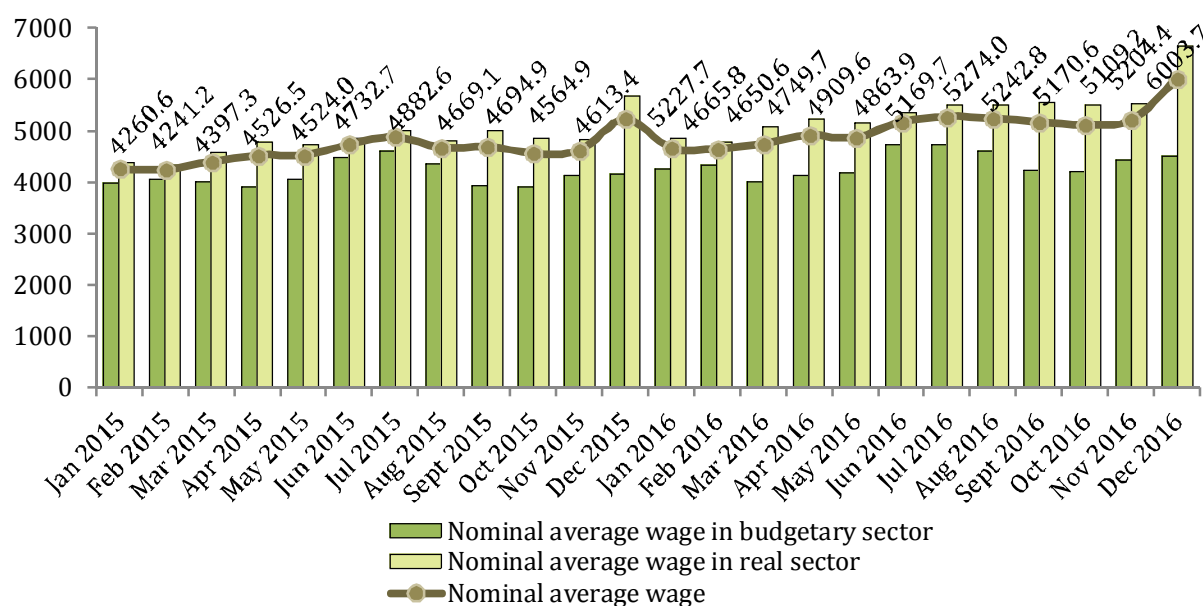


Figure 6.3. Dynamics of nominal salary in budgetary and real sector in January 2015- December 2016, MDL

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

In 2016, the real salary indices were higher compared to previous year recording a growth in the amount of real salary and namely in August-December of 2016 compared to the indices from the same period of 2015 when presented decreases, however during the period January-July of 2016 the indices of the real salary showed decrements for the most part of the period or insignificant increases.

Table 6.2. Trends in nominal salary rates vs real salary rates (compared to the same period of the previous year), %

2015												
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Nominal salary, %	112.8	114.1	112.4	112.9	112.2	112.6	112.8	109.2	110.0	105.9	105.9	107.4
Real salary, %	107.7	107.1	104.9	104.9	103.8	104.0	103.9	97.3	97.7	93.6	93.3	94.5
2016												
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Nominal salary, %	109.5	109.7	108.0	108.5	107.5	109.2	108.0	112.3	110.1	111.9	112.8	114.8
Real salary, %	96.6	99.5	98.7	100.2	99.6	101.7	100.9	108.4	106.9	109.2	109.9	112.1

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

According to the data of the official statistics the highest part of disposable revenues of the Moldovan population are the salaries. During the reviewed period, the weight of salaries is 42.1% in the structure of total disposable revenues. Thus, this indicator is the main component in the revenues of population but in comparison with the last year their contribution increased by 0.7 p.p.

Box 6.2. Salaries of employees from public healthcare institutions

In July, 2016 the Government Decision no. 1593 of December 29, 2003 on the approval of the Regulation on remuneration of employees in public healthcare institutions included in the mandatory healthcare insurance was recalled and a new legislative document – Government Decision no. 837 of July 6, 2016 became operative which was published in the Official Gazette no. 204-205 of July 12, 2016.

According to this regulation, the monthly salaries of the medical staff are: for family doctors, depending on their seniority, established within 5000-5900 MDL; for prehospital emergency care doctors – 4000-4800 MDL; for doctors trained in phthisiopulmonology; from hospital sector, who are directly involved in HIV/ AIDS treatment; from morphopathology (or anatomical pathology) service, doctors in the service of organs, tissues and human cells extraction and processing from cadavers – 6400-7200 MDL; for surgeons who perform surgeries, endoscopists, anaesthesiologists-reanimatologists from: republican, municipal and regional institutions – 4000-5900 MDL; for other specialized doctors, pharmacists in republican, municipal and regional institutions – 4300-5000 MDL; for other specialized doctors, pharmacists from district institutions, assistant chemists, psychologists, psychopedagogists, speech therapists, pedagogues, chemists, biologists, bacteriologists, physiotherapists etc. (without medical higher education) from medical-sanitary public institutions of all levels – 2000-4250 MDL.

According to the Government Decision no. 837 of July 6, 2016 the provisions of the approved Regulation brought into effect since July 1, 2016, but beginning since April 1, 2018 after the approval of the annual Law of mandatory health insurance funds, the planned monthly salaries are reviewed and indexed annually in terms of fund expenditures increase for the purchase of current medical services (corpus) of mandatory health insurance taking into account the consumer price index established in the macroeconomic forecast by the Ministry of Economy.

The disposable revenues of the population per month in 2016 per capita on average amounted to 2060.2 MDL, respectively by 5.3% more compared to 2015. In real terms, the revenues of the population have registered a decrease of 1%. In the first 3 quarters of 2016 there is noted an increase in nominal value of the disposable revenues of the population and a decline in the last quarter of the year. Q II of 2016 was the only quarter which had a decrease in the montly revenues of the population in nominal value of all quarters of the last 4 years compared to the revenues of these quarters from previous years. Anyway, in Q I of 2016, in real terms the revenues had a decrement compared to s.p.l.y. and in Q II the revenues had an increment. In the following quarters of 2016 the growth rate reduced, so that Q IV indicated a decrease in revenues compared to Q IV, 2015.

The disposable revenues of the population per month in 2016 per capita on average amounted to 2060.2 MDL, respectively by 5.3% more compared to previous year. In 2016, in real terms, adjusted to the consumer price index, the revenues of the population have registered a decrease of 1%. In the first 3 quarters of 2016 there is noted an increase in nominal value of the disposable revenues of the population thereupon in Q IV their value reduces. The salaries

contribution in the structure of revenues still remains the most important financial source. The salary revenues represent 42.1% of total disposable revenues, their value increased by 0.7 p.p. compared to Q IV of 2015. The social benefits are the second significant source of Moldovans' revenues in the ratio of 22.1% or by 1.2 p.p. more compared to last year. The self-employment activities amounting to 14.9% of monthly average revenues per capita have also contributed to the revenues formation. Thus, the individual agricultural activities represent 8.3% and non-agricultural individual activities – 6.6% of self-employment activities. Another important source for the household budget are the remittances. These represent 17.1% of total revenues or by 0.3 p.p. less than s.p.l.y. The revenues of population from urban area were on average by 664.4 MDL or by 1.4 times higher compared to the revenues of population from rural areas. For the population from urban area the main sources of revenues are the salaries which ensured the revenues of population in the proportion of 54.5% and social benefits – 20.8%. The revenues of population from rural area are generated on the basis of salaries in the proportion of 29% and its contribution is by 1.9 times lower than in urban area. At the same time, the revenues from agricultural individual activity was 16.1% of total disposable revenues.

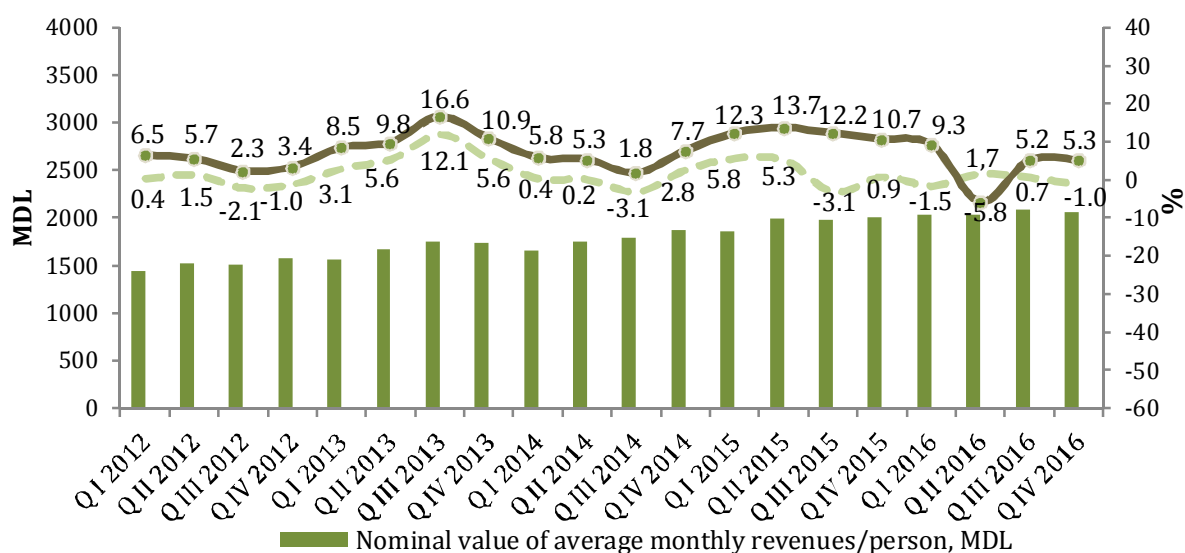


Figure 6.4. Dynamics of household disposable revenues, nominal value and growth rates, by quarters, Q I 2012 – Q IV 2016

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

According to Figure 6.4., Q II of 2016 was the only quarter which had a decrease in the monthly revenues of the population in nominal value of all quarters of the last 4 years compared to the revenues of these quarters of the previous years. Anyway, in Q I of 2016, in real terms the revenues had a decrement compared to Q I of 2015 and in Q II the revenues had an increment. In the following quarters of 2016 the growth rate reduced, so that Q IV indicated a decrease in revenues compared to Q IV, 2015.

The average monthly consumption expenditures of population in 2016 amounted to 2116.8 MDL per capita increasing by 3.3% compared 2015. In real terms according to the consumer price indices, the population spent on average by 2.9% less compared to previous year. In 2016, in real terms, the consumption expenditures have decreased compared to 2015, accentuating in Q II and Q IV.

The average monthly consumption expenditures of the population in 2016 per capita amounted to 2116.8 MDL increasing by 3.3% against 2015. In real terms, according to the consumer price index, the population spent on average by 2.9% less compared to the previous year. During the

reviewed period, food consumption is the highest part of expenditures – 42.6% (42.1% in 2015). The housing maintenance expenditures, on average per capita amounted to 17.8% of total expenditures (17.9% in 2015), and for clothing and footwear – 10.5% (decreasing by 0.7 p.p. compared to 2015), health – 6.4% (compared to 6.5% in the previous year), communication – 4.7%, transport – 4.7%, housing facilities – 4.0%, education – 0.7%, etc.

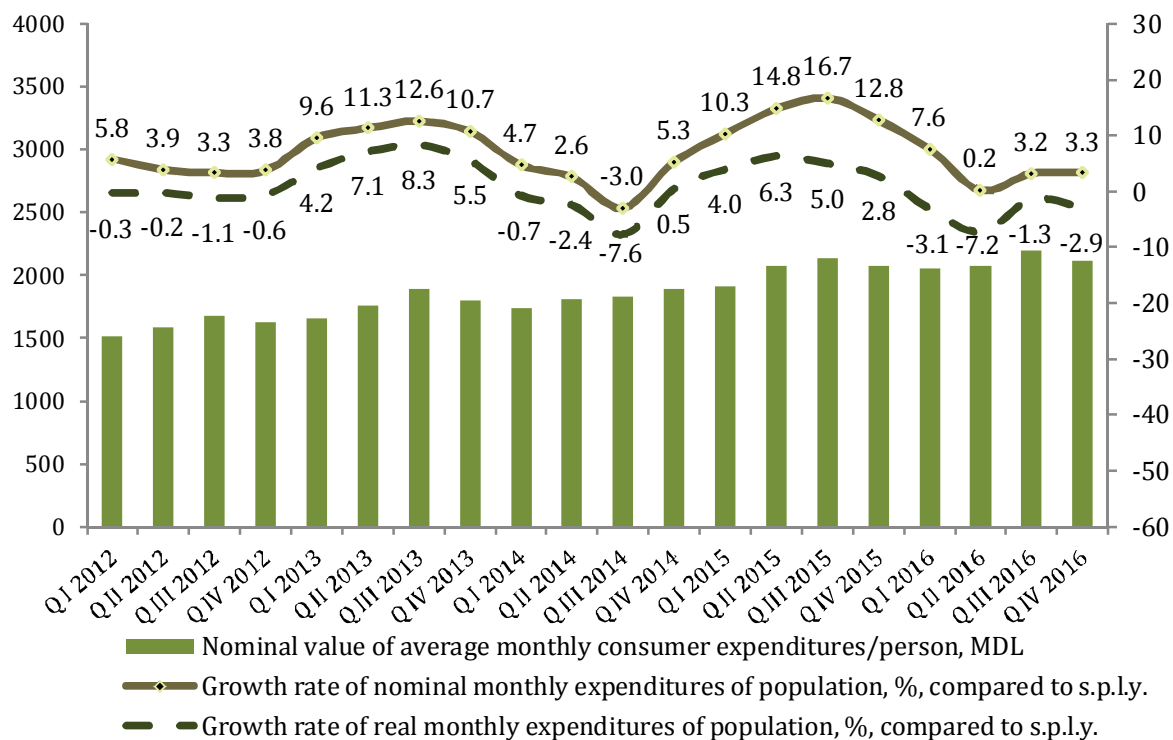


Figure 6.5. Dynamics of consumer expenditures, nominal value and growth rates, by quarters, Q I 2012 – Q IV 2016

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

The monthly consumption expenditures of the population in urban area on average amounted to 2544.7 MDL per capita, by 755.5 MDL or by 1.4 times more compared to rural area. To ensure the food products consumption, the population in urban area directed 40.1% of monthly consumption expenditures (39.6% in 2015) and in rural area – 45.4% (44.8% in 2015). At the same time, the urban population spent more for housing maintenance – 18.3% against 17.2% in rural area, for transport – 5.8% against 3.6%, communication – 5.1% against 4.2%, for hotels, cafes and restaurants – 2.5% against 0.4%, leisure services – 1.9% against 0.6%. Rural population spent more for clothing, footwear – 11.5% against 9.5% in urban area, for health – 6.8% (against 6.0% in urban area) and housing facilities – 4.3% against 3.7%.

According to Figure 6.5. in nominal terms, after a decrease of the growth rate of consumption expenditures in Q II, 2016 (compared to 2015) in the next quarters an increase of their rate takes place, higher in Q III and lower in Q IV. However, in real terms the entire 2016 is characterized by reductions of consumption expenditures compared to 2015 which were accentuated in Q II and Q IV.

Social protection of population. According to the data of the National House of Social Insurance, the number of pensioners registered to the social protection bodies on January 1, 2017 amounted to 691.2 thousand pers. or by 11.3 thousand pers. more compared to January 1, 2016. On January 1, 2017 the monthly average pension amounted to 1275.2 MDL, by 9.4% more compared to January 1, 2016.

Subsistence minimum. According to the data of the NBS in 2016, the amount of monthly subsistence minimum on average amounted to 1799.2 MDL per capita increasing by 3.8% compared to the previous year. The subsistence minimum by residence area highlights significant differences, the highest one being recorded for population from large cities (Chisinau and Balti municipalities) – 2013.5 MDL or by 14.1% more compared to the subsistence minimum for other cities – 1764.8 MDL and by 16.8% more compared to rural area – 1723.4 MDL. The subsistence minimum for pensioners amounted to 1494.8 MDL representing 83.1% in the average subsistence minimum of total population. The subsistence minimum for children on average amounts to 1703.8 MDL monthly being differentiated with respect to child's age. Monthly childcare allowances for children up to 3 years on average amount to 1234.3 MDL for insured people, these payments cover the subsistence minimum in the proportion of 84.1% for children aged 1-6 years. In the case of uninsured people the amount of monthly childcare allowances (540 MDL) provides only 36.8% of necessary minimum for children aged 1-6 years.

Box 6.3. Amendments to monthly allowance quantum for child bringing up/care of insured and uninsured persons

In 2016, the monthly allowance quantum for child bringing up/care of insured and uninsured persons was amended. According to the Government Decision No. 1029 of September 7, 2016 (Official Gazette 293-305/09.09.16 art. 1112) for amendment and completion of annex no. 2 of the Regulation on establishment and payment of allowances for families with children approved by the Government Decision no. 1478 of November 15, 2002 – monthly allowance quantum for child bringing up amends as follows:

- **October 2015-July 2016:** for insured persons – 30% of computation basis established according to Article 7 of Law no. 289-XV of July 22, 2004 on allowances for temporary incapacity for work and other social insurance benefits, but not less than 440 MDL; for uninsured persons - 440 MDL.
- **Since August 1, 2016:** for insured persons – 30% of computation basis established according to Article 7 of Law no. 289-XV of July 22, 2004 on allowances for temporary incapacity for work and other social insurance benefits but not less than 540 MDL; for uninsured persons – 540 MDL.

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

Demographic situation. The natural decrease of population in 2016 amounted to 2082 pers., compared to the previous year decreasing by 2.5%. In 2016, 4676 live births were registered representing 94.3% compared to the last year and the number of deaths reached 6758 pers., representing 95.3% against 2015. During 2016, against last year, the number of deaths caused by cancer increased by 4.1%, vascular brain lesions – by 0.3%, however, the mortality from digestive diseases decreased by 9.9%, intoxications, lesions and murder – by 7.0%, coronary heart diseases – by 7.7%. The infant mortality under the age of 1 year increased up to 25 pers., by 30.6% less compared to 2015. The structure of the main causes of infant death includes: conditions from perinatal period (9 cases), congenital abnormalities (4 cases), and accidents, intoxications, trauma (2 cases).

Migration decline of population in 2016, taking into account internal and external migration amounted to 1759 pers. decreasing by 3.9% compared to last year. In 2016, in the region arrived 6036 pers. (out of the region – 1322 pers.), representing 98.8% of arrivals in 2015, of them children under 16 years – 1253 pers., i.e. 20.8% of total number of arrivals. 7795 pers. left (out

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

of the region – 2619 pers.) or 98.2% of those who left in 2015, including children under 16 years – 1459 pers. or 18.7% of total number of departures. Of total number of arrivals in the region – 46.3% are men (2793 pers.), the number of men who leave the country is 47.7% (3716 pers.). During 2016, in urban areas arrived 4034 pers. and left 5396 pers., representing 102.4% and 98.8%, respectively against 2015. 1036 pers. arrived out of the region, and from region left 2114 pers. In villages arrived 2002 pers. and left 2399 pers., representing 92.3% and 96.7%, respectively compared to the previous year.

The number of *marriages* registered 2744, decreased by 17.0% compared to 2015. The number of *divorces* reached 1734 increasing by 0.2% compared to the previous year.

Labor market. On January 1, 2017, the number of employees in all economic organisations (except for small enterprises, religious and non-profit organisations, security structures and customs authorities) amounted to 97.5 thousand pers., decreasing by 1156 pers. or 1.2% compared to the same period of the previous year. Since the beginning of 2016, 15777 pers. of all citizens registered to the employment agencies were employed, including 901 pers. – to newly created jobs. The percent of substitution with new staff of employees who broke the labour contract was 93.7%. During 2016, 16835 persons layed off from institutions and organisations representing 17.1% on the staff number of employees since the beginning of the year. The main reason of dismissal is worker's own initiative, 14273 pers. are in this category (84.8%).

According to the Social Insurance Fund of Transnistria, at the end of 2016, the number of citizens officially registered as unemployed amounted to 4262 pers., by 18.7% more against the end of 2015. 2186 pers. or 51.3% are women of total number of registered citizens. During 2016 through the Transnistrian Agency for Employment 8261 pers. were recorded as unemployed, of them 4037 pers. are women (48.9% of total number of registered citizens). In 2016, 15503.4 thousand rubles were spent for payment of unemployment benefits. 3381 pers. received unemployment benefits, the average amount of unemployment benefits in 2016 accounted for 428.3 rubles or 33.3% of the average subsistence minimum per capita budget.

Remuneration of labor. In 2016, the average monthly nominal salary calculated for an employee (except for small enterprises and religious and non-profit organisations, security structures and customs authorities) amounted to 3844 rubles, or 99.4% compared to 2015. The average salary on state organisations amounted to 2709 rubles, increasing by 2.0% against 2015.

In 2016⁵, the average monthly nominal salary calculated for an employee was higher than the average salary in the region in the following economic branches: „Electrical – and radio-communication” (9695 rubles or 861 US Dollars), „Banks and credits” (7331 rubles or 651 US Dollars), „Insurances” (6931 rubles or 616 US Dollars), „Information and computer services” (5317 rubles or 472 US Dollars), „Industry” (4963 rubles or 441 US Dollars), „Constructions” (4543 rubles or 404 US Dollars), „Publishing” (4374 rubles or 388 US Dollars), „Real estate transactions” (4321 rubles or 384 US Dollars), „Governing and control bodies” (4310 rubles or 383 US Dollars), „Housing communal household” (4131 rubles or 367 US Dollars), „Transport” (3916 rubles or 348 US Dollars), „Trade and food service” (3883 rubles or 345 US Dollars).

The average monthly nominal salary calculated for an employee was lower than the average salary in the region in the following economic branches: „Geology and meteorology” (1964 rubles or 174 US Dollars), „Social assistance” (2147 rubles or 191 US Dollars), „Postal communication” (2319 rubles or 206 US Dollars), „Culture and art” (2425 rubles or 215 US Dollars), „Non-productive types of public services” (2426 rubles or 215 US Dollars), „Forestry” (2539 rubles or 225 US Dollars), „Education” (2682 rubles or 238 US Dollars), „Health” (2692 rubles or 239 US Dollars), „Administration bodies of cities and districts” (2716 rubles or 241 US Dollars).

⁵ The official average exchange rate of the monetary authority of the region to the left of the Dniester River in January-December, 2016: 1 US Dollar=11.2590 rubles (http://www.cbpmr.net/data/svk_narast_itog_Dec_2016.pdf)

Dollars), „Science” (3109 rubles or 276 US Dollars), „Agriculture” (3294 rubles or 293 US Dollars), „Collection and storage of metallic waste (3400 rubles or 302 US Dollars), „Physical Education, Recreation and Tourism” (3414 rubles or 303 US Dollars), „Judicial Authorities, Legal Institutions” (3510 rubles or 312 US Dollars).

In 2016, in industry, the highest monthly nominal salary was registered for the employees of the following subbranches: electricity – 6046 rubles or 537 US Dollars, which is higher than the average salary in the region by 57.3%; steel industry – 5592 rubles or 497 US Dollars or by 45.5% higher than the average salary in economy; manufacturing of machinery and processing of metals – 5215 rubles or 463 US Dollars or by 35.7% higher than the average salary in economy; food industry – 4607 rubles or 409 US Dollars or by 19.8% higher than the average salary in economy; construction materials industry – 4239 rubles or 376 US Dollars or by 10.3% higher than the average salary in economy; printing industry – 4234 rubles or 376 US Dollars or by 10.1% higher than the average salary in economy; chemical industry – 4194 rubles or 372 US Dollars or by 9.1% higher than the average salary in economy; milling and baking industry – 4101 rubles or 364 US Dollars or by 6.7% higher than the average salary in economy; light industry – 3986 rubles or 354 US Dollars or by 3.7% higher than the average salary in economy.

Social protection of population. At the end of 2016, the average number of pensioners equated to 126003 pers., by 0.8% more compared to the period of the last year. In Q IV of 2016, the average number of these accounted to 126155 pers., of these – 121952 pers. benefited by labor pension and – 4203 pers. by social pension. At the end of 2016, the average amount of the pensions was 1352.73 rubles. In Q IV of this year, the average amount of pensions amounted to 1353.52 rubles (labor pension – 1378.23 rubles and social pension – 636.51 rubles) more by 1.4% compared to the same period of the previous year.

Subsistence minimum. In 2016, the amount of the *subsistence minimum* on average per capita accounted for 1285.54 rubles per month which is by 0.7% less than s.p.l.y.

Table 6.3. Subsistence minimum in the region from the left bank of the Dniester River in 2016

(average per person, rubles per month)

	Total population	Including:				
		Able to work		Pensioners	Children	
		Men	Women		aged under 6 years	from 7 up to 15 years
January	1277.05	1394.05	1325.04	1076.32	1170.29	1406.34
February	1267.58	1383.19	1315.92	1068.39	1162.21	1394.66
March	1268.99	1385.08	1317.95	1068.75	1164.43	1394.87
April	1272.29	1389.99	1320.64	1071.65	1164.28	1398.47
May	1275.94	1395.63	1323.24	1074.54	1165.30	1402.96
June	1320.51	1445.97	1365.27	1110.90	1208.83	1462.49
July	1284.72	1405.13	1331.33	1079.70	1181.69	1416.84
August	1270.56	1388.20	1318.65	1066.99	1170.72	1400.34
September	1278.28	1395.88	1327.74	1072.36	1179.42	1409.99
October	1295.19	1415.18	1343.12	1087.18	1195.60	1430.98
November	1303.35	1424.60	1350.64	1093.94	1203.93	1440.86
December	1312.06	1433.97	1358.91	1101.42	1212.80	1452.56

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

Crimes. In 2016, according to the the public order protection bodies, 10477 requests and reports on crimes were registered which is by 7.8% less compared to 2015. In 2016, 4496 crimes were registered in the region. In terms of crime type these are characterized by the following data: 18 – murders, 46 – intentional severe injuries, 67 – violations and other crimes

against sexual integrity, 234 – crimes related to illegal trafficking in arms, 80 – crimes committed by use of arms, munitions and explosives, 537 – crimes against public order, 628 – drug related crimes, 1183 – thefts, 156 – robberies, 120 – hooliganisms, 18 – corruption cases (bribery), 1067 – other crimes etc. In 2016, 4416 crimes were investigated of which 994 (22.5%) crimes were committed by persons previously convicted, 538 (12.2%) – women, 460 (10.4%) – groups of individuals, 323 (7.3%) – crimes committed by minors, 542 (12.3%) – crimes committed in drunkenness, drugging or in another nature condition. As a result of these crimes, 2496 pers. suffered, including 37 pers. died (1.5%), and 45 pers (1.8%) were subjected to serious health injuries.

Chapter VII

FORECAST FOR 2017

(preliminary version)

National economy dynamics in 2016

Compared to 2015, the next year has turned out to be more favourable and stable in several respects. 2016 was also one of the best years for agriculture influencing positively other branches and fields of national economy too.

Gross Domestic Product (GDP). In 2016, according to the preliminary calculations of the National Bureau of Statistics, the Gross Domestic Product amounted to 134,5 bln. MDL, with a 4,1% growth in real terms compared to previous year. The crucial contribution to GDP increase (+2,2%) belongs to agriculture, forestry and fishing. Manufacturing and mining industries have contributed by 0,3%, net taxes on products – by 0,1%. The most significant contributions in the services sector are: wholesale and retail trade and financial intermediaries services indirectly measured – each by 0,9%. The professional, scientific and technical activities; transport and storage; information and communication have contributed each by 0,3%. Other services activities had a negative contribution (-1,0%).

The rigid policy promoted by the National Bank in order to maintain **the exchange rate of national currency and inflation** at an appropriate level permitted that the exchange rate against the US Dollar to depreciate by only 1,6% and to appreciate by the same percentage against Euro during the year. The annual average inflation index (CPI) amounted to 106,4% in comparison with 109,7% in 2015. **The currency reserve assets** of the country (stock) at the end of 2016 accounted for 2205,9 mln. USD, increasing by 25,6% compared to those recorded at the end of the previous year. **The money supply M3** at the end of the year equated to 70,5 bln. MDL growing by 10,2% against the end of the last year. The amount of the **(internal and external) state debt** managed by the Government increased significantly (+51,6%) reaching 50,8 bln. MDL.

Agriculture. In 2016, the total agricultural production in all households was by 18,6% higher in comparison with 2015. The increase of agricultural production was determined by the growth of vegetable production by 26 % and livestock production – by 3,1%. The volume of production achieved in 2016 was the highest one in the last 25 years. Excepting tobacco and soya, the other crops had a higher yield compared to previous year. In the livestock production is attested an increase in meat production by 4,8% and eggs by 7%, however milk production decreased by 0,8%.

Industry. During the year, the industrial production varied around zero scale, in the end registering a slight increase (+0,9%) against last year. The modest results of this branch are determined by the reduction of mining industry production by 15,8% and electricity, heat energy, gas, hot water and conditioned air production by 1,0%. During this period, manufacturing industry increased (+1,8%).

Transport of commodities. In 2016, the commodities mileage by all means of transport increased by 2,3% and exceeded 4 bln. tonnes-km. At the same time, the volume of transported commodities amounted to 13,7 mln. tonnes or by 1,6% below the level of 2015. The road transport enterprises have recorded increments both in the volume of transported commodities (+4,8%) and their mileage (+8,8%) and the railway, fluvial and air transport ones have registered declines in both indicators compared to the previous year.

Foreign trade. The foreign trade in goods accounted for 2045,3 mln. USD increasing by 4% in comparison with the exports of 2015. The imports of goods totaled 4020,3 mln. USD rising by 0,8% compared to last year. The balance of trade deficit amounted to 1975 mln. USD, being by 45 mln. USD below the level of 2015. The weight of exports and imports to EU countries continued to develop (from 61,9% in 2015 to 65,1% in 2016 on exports and from 49% to 49,1% – on imports, respectively). Simultaneously, the weight of CIS states on exports declined from 25% in 2015 to 20,3% in 2016 and on imports remained almost the same level (cca. 25,5%).

Investment in long-term tangible assets. The volume of investment in long-term tangible assets amounted to 19,4 bln. MDL reducing by 13,9% against 2015. 12,6 bln. MDL are own resources of investors or 64,9% of total, 1,8 bln. MDL – budget sources (9,4%), 1,5 bln. MDL – foreign sources (7,7%) and 3,5 bln. MDL – other sources (18%) of total volume of investment.

Turnover in trade and services. In 2016, the turnover in retail trade rised by 1,1%, the wholesale trade one – by 3% and turnover in market services provided to population – by 0,6% against 2015.

Average monthly nominal salary. The average monthly nominal salary of an employee in national economy amounted to 5084 lei increasing by 10,3% compared to previous year and its real value rised by 3,7%. The remittances from abroad of funds accounted for 1079 mln. USD by 51 mln. USD less compared to previous year.

The results of the national economy from 2016 could be better but they were strongly influenced by the catastrophic consequences of the previous year, 2015. This speaks of the fact that the financial-economic crisis caused by the billion Dollar theft at the end of 2014 will have repercussions during a long period of time.

Economic growth premises

One of the main factors which will positively influence the economic development of the Republic of Moldova is the agreement on a program of economic reforms supported by a funding arrangement for 3 years through the Extended Fund Facility (EFF) and the Extended Credit Facility (ECF) concluded between the International Monetary Fund and our country. Thus, according to the agreement with the IMF it is forecasted the allocation of a financial aid amounting to 179 mln. USD during three years.

The conclusion of the agreement with the International Monetary Fund, establishment in the country of a relatively stable political situation, improvement of investment climate, other measures to promote the reforms put into the Association Agreement between the RM and EU have contributed to the receptiveness of more international financial institutions by granting financial aids in order to support the budget and implement certain programs and projects in Moldova. The European Union will grant in 2017, 2018 a financial aid amounting to 100 mln. EUR in three tranches as a macrofinancial support of the Republic of Moldova. This aid consists of 40 mln. EUR as grants and 60 mln. EUR – loans in the medium term to favourable conditions. In 2017, the World Bank will allow to Moldova 30 mln. USD as a support to the country's budget. A decisive condition for the economic development is the ability of government to attract investment, create favourable conditions to impulse the business. In this regard, in the last years a series of measures to improve the situation were carried on. According to the annual Report of the World Bank Doing Business – 2017 Moldova takes 44th place of 190 countries included in the rank by the level of business facilitation. For that purpose, Moldova has had a positive development advancing gradually from 82nd place in 2013 to 63rd over one year then in 2015 to advance to 52nd place and finally the mentioned 44th place.

Weaknesses in national economy development

Remittances decline. After reaching the maximal level in 2013 and 2014 (over 1,6 bln. USD), the remittances decreased by about half billion Dollars in 2015 and over 50 mln. USD in 2016. In the near future, it is expected that the Moldovan's remittances from abroad will continue to decrease.

The excessive increase of state debt. A heavy burden for the country's economy is the excessive growth of the state debt which at the end of 2016 amounted to 51 bln. MDL. About 29 bln belong to the external public debt and the rest, 22 bln. – to the internal public debt of total amount. This record-increase is partially due to the Government Decision to assume the responsibility for the law which provides the conversion of guarantees in the state debt in 2014 and 2015 for loans over 14 bln. MDL granted by the NBM to those three banks involved in the billion fraud.

Restrictions on domestic production export. A significant impediment in the development of foreign trade is the continuation of embargo imposed to the Republic of Moldova by the Russian Federation. Although, after more high-level meetings between our country and the Russian Federation from the last period, some chances have appeared that the trade relations with this country to piece up if not entirely, even partially.

Macroeconomic situation and tense policy. According to the IMF experts, the budgetary-fiscal policy of the Republic of Moldova has limited capacities to support the internal economic activity, especially until the new authorities will develop a fiscal policy and budget expenditures policy which will lead to the strengthening of national public budget's capacity to ensure the achievement of goals on the development agenda. The weak Governance in the banking sector produces high costs for economy. Removing the shortcomings related to the banking supervision is a long-awaited challenge and its achievement will play a key role in restoring the macroeconomic stability. Socially and politically, the disagreements between the representatives of the state after the election of the President of the country at the end of 2016 call in question the maintenance of a political stability which in turn is to the detriment of ensuring a healthy development of society.

The country's image in the international ranking is going to get worse. Our country lost 20 positions in the world ranking on perception index of corruption. In 2016, Moldova placed on 123rd place of 176 countries in the ranking compiled by the Transparency International organization. The report shows that the situation in our country is worse year by year. The Republic of Moldova is a vicious democracy being on the 76th place of 167 countries in the world ranking on the annual index of democracy for 2016, published by [The Economist](#), giving in 6 positions compared to previous year. In Moldova, the public confidence in the government has fallen to a historic minimum as a result of the bank theft from 2014", it is said in the report which quotes our country with a democracy index of 6,01 against 6,35 in the previous year. According to the Gross Domestic Product index per capita after PPC with 5223 USD, Moldova remains the furthest behind in Europe.

Taking into account the socio-economic situation created at the moment, the results of 2016, using the macroeconomic model approved and adapted to the current conditions of Moldovan economy by the scientific researchers from NIER, the forecast calculations of the main macroeconomic indicators were made, their results are presented in the table below.

According to the calculations, it is expected that the **GDP** will be up by 4,2% in 2017 amounting to 147 bln. MDL, in the prices of these years. This growth rate of GDP will be reached only if performance results in all branches and fields of national economy are achieved, namely:

Table 7.1. Dynamics of main macroeconomic indicators in 2014-2016 and forecast for 2017

	Measure- ment Unit	2014	2015	2016	2017
		Actual		Forecast	
Nominal GDP	bln.MDL	112.0	122.6	134.5	147.0
Compared to the previous year in comparable prices	%	104.8	99.6	104.1	104.2
Annual average consumer price index	%	105.1	109.7	106.4	105.0
Average exchange rate	lei/USD	14.04	18.82	19.92	20.5
Export of goods	mln. USD	2339.5	1967	2045	2230
Compared to previous year	%	96.3	84.1	104.0	109.0
Import of goods	mln. USD	5317	3987	4020	4352
Compared to previous year	%	96.8	75.0	101.0	108.3
Balance of trade	mln. USD	-2977	-2020	-1975	-2122
Industrial production at current prices	bln. lei	43.5	45.7	47.0	50.0
Compared to previous year in comparable prices	%	107.3	100.6	100.9	104.2
Agricultural production at current prices	bln. lei	27.3	27.2	32.7	34.8
Compared to previous year in comparable prices	%	108.6	86.6	118.6	103.5
Investment in long-term tangible assets	bln. lei	21.2	21.1	19.4	22.8
Compared to previous year in comparable prices	%	103.8	90.6	86.1	110
Average nominal monthly salary	lei	4172	4611	5084	5423
Compared to previous year					
nominal	%	110.8	110.5	110.3	106
Real	%	105.4	100.7	103.7	101.6
Labor remuneration fund	bln. lei	45.2	50	59.1	64.1
Labor force (economic active population)	thousand persons,	1232	1222.3	1209	1208
Number of employees in the national economy	thousand persons,	1184.9	1171.1	1157.2	1153
Unemployment rate	%	3.9	4.2	3.6	3.4
Remittances from abroad	mln. USD	1613	1130	1079	1050

Source: Compiled by authors according to the statistical data.

Investment in long-term tangible assets, will increase by 10% in real terms and will reach the amount of 22,8 bln. MDL at current prices.

Industrial production at current prices will increase from 47 bln. MDL in 2016 to 50 bln. MDL in 2017, i.e. by 4,2%, in real terms.

Agricultural production at current prices will rise from 32,7 bln. MDL to 34,8 bln. MDL, or an increment by 3,5%, in real terms.

Export of goods will advance from 2045 mln. USD to 2230 mln. USD, ensuring a growth rate of 9%; **Import of goods** will increase from 4020 mln. USD to 4352 mln. USD, or by 8,3%.

Balance of trade will show a deficit reaching 2122 mln. USD, increasing by 7,4% compared to 2016.

To achieve the planned goals for the forecasted period it is strictly necessary to ensure a macroeconomic stability, firstly in financial-banking and monetary-credit sectors and also a political stability in the country.

It is forecasted that the level of inflation (*annual average consumer price index*) will decline from 106,4% in 2016 to 105,0% in 2017.

Average exchange rate of American Dollar against Moldovan leu will significantly increase from 19,9 lei/dol. to 20,5 lei/dol, or by 3%.

The macroeconomic and political stability will directly contribute to the economic growth and this in turn will redound to raising the standard of living of population. It is forecasted that the *average nominal monthly salary* will increase from 5084 lei/monthly in 2016 to 5423 lei/monthly in 2017, or by 6%, and the real growth will be 1,6%.

The forecast of the main macroeconomic indicators for 2017, after the growth rates of GDP by 4,2% can be considered real to be achieved. This growth rate of GDP coincides with the economic potential of the country and the average level registered during the period of economic growth (2000-2015) which was 4,55%. At the same time, if we compare with the average rate in the last 5 years (2012-2016) of 3,4% it seems to be optimistic. However, taking into account the level of development of our economy to overcome this situation there are necessary higher growth rates, of 7-8% annually.

STATISTICAL ANNEXES



GDP RESOURCES																					
Period	GDP			GVA			Agriculture			Industry			Constructions			Other activities			Net taxes on products		
	mln. lei	in %	previous year	mln. lei	in %	previous year	mln. lei	in %	previous year	mln. lei	in %	previous year	mln. lei	in %	previous year	mln. lei	in %	previous year	mln. lei	in %	previous year
	current prices			current prices			current prices			current prices			current prices			current prices			current prices		
2012	88227.8	99.3	99.3	73686	99	99	9896	79.9	12314	100.8	100.8	3041	101.8	101.8	50178	103.2	103.2	14542	100.8	100.8	
2013	100510.5	109.4	109.4	83719	110.2	110.2	12383	146.6	14328	107.6	107.6	3373	105.3	105.3	55346	103.9	103.9	16791	105.1	105.1	
2014	111757.4	104.6	104.6	94228.3	105.2	105.2	14111.8	108.2	16246.8	107.2	107.2	3964.8	110.6	110.6	62112.3	103.8	103.8	17529.1	101.5	101.5	
2015	121850.9	99.5	99.5	103160.8	99.6	99.6	14267.8	86.6	14919.3	103.4	103.4	4359.7	100.6	100.6	69441.4	102.8	102.8	18690.1	99.2	99.2	
2016	134476.6	104.1	104.1	114531.6	104.8	104.8	16409.4	118.2	20254.2	102.1	102.1	4388.4	93.3	93.3	73479.6	102.2	102.2	19945.0	100.6	100.6	
Quarter I 2014	21499.2	103.7	103.7	17917.5	104.4	104.4	977.2	110.2	3373.0	105.7	105.7	597.9	108.9	108.9	13497.8	103.8	103.8	3581.7	100.7	100.7	
Quarter II 2014	26280.9	104.3	104.3	21985.9	104.9	104.9	2354	108.7	3959.1	103.9	103.9	1403.4	110.5	110.5	14823.9	104.4	104.4	4295	101.1	101.1	
Quarter III 2014	34115	105.8	105.8	29372.9	106.2	106.2	6931.1	108.4	4420.0	106.1	106.1	1271.1	113.7	113.7	17293.1	104.8	104.8	4742	103.4	103.4	
Quarter IV 2014	29862.3	104.2	104.2	24951.9	104.9	104.9	3849.6	107.3	4495.0	112.7	112.7	692.4	106.7	106.7	16497.5	102.2	102.2	4910.4	100.7	100.7	
Quarter I 2015	24423.2	104.8	104.8	20473.7	105.2	105.2	914.7	104.4	4001.4	107.9	107.9	708.6	106.2	106.2	15763.5	105.2	105.2	3949.4	103.1	103.1	
Quarter II 2015	28526.8	102.5	102.5	23958.3	102.7	102.7	2064.6	102.7	4569.5	104.6	104.6	1521.4	101.1	101.1	16755.0	103.5	103.5	4568.5	101.5	101.5	
Quarter III 2015	35889.6	96.3	96.3	30723.9	96.1	96.1	6484.8	82.6	4846.8	102.5	102.5	1393.5	98.2	98.2	19030.7	101.2	101.2	5165.7	97.6	97.6	
Quarter IV 2015	33011.3	96.7	96.7	28004.8	96.9	96.9	4803.7	81.7	4010.9	98.1	98.1	736.2	98.9	98.9	19002.6	106.2	106.2	5006.5	95.6	95.6	
Quarter I 2016	27097.4	100.8	100.8	23018.9	100.6	100.6	1005.9	105.1	4529.9	101.14	101.14	697.3	96.0	96.0	17143.0	98.8	98.8	4078.4	102.2	102.2	
Quarter II 2016	31433.8	101.8	101.8	26575.5	102.4	102.4	2078.4	104.1	4839.2	100.00	100.00	1410.5	85.5	85.5	18247.4	102.5	102.5	4858.3	98.7	98.7	
Quarter III 2016	39749.3	106.3	106.3	34143.8	107.1	107.1	8202.8	124.2	5378.1	101.2	101.2	1463.3	97.2	97.2	19099.6	101.3	101.3	5605.5	101.7	101.7	
Quarter IV 2016	36196.0	106.5	106.5	30793.2	107.6	107.6	5122.2	117.6	5506.9	106.2	106.2	817.3	99.8	99.8	19346.8	105.5	105.5	5402.8	100.1	100.1	

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

USES OF GDP													
Period	GDP			Final consumption			Gross capital formation			Stock variation		Net export	
	mln. lei Current prices	in % Previous year	mln. lei Current prices	in % Previous year	mln. lei Current prices	in % Previous year	mln. lei Current prices	in % Previous year	mln. lei Current prices	in % Previous year	mln. lei Current prices	in % Previous year	
2012	88227.8	99.3	103062.6	100.9	20864.1	101.8	-3.2	x	-35695.7	x	x	x	
2013	100510	109.4	113169	105.2	23062	103.8	1721	x	-37442	x	x	x	
2014	111757.4	104.6	123357.5	102.4	27608.2	110.1	1447.4	x	-40655.8	x	x	x	
2015	121850.9	99.5	131230.0	98.1	29492.3	98.8	-1952.2	x	-36919.2	x	x	x	
2016	134476.6	104.1	142112.0	103.0	30021.5	97.0	172.5	x	-37829.5	x	x	x	
Quarter I 2014	21499.2	103.7	24926.1	100.5	4993.3	108.6	-238	x	-8182.2	x	x	x	
Quarter II 2014	26280.9	104.3	29542.5	101.4	6683.6	107.6	-109.3	x	-9835.9	x	x	x	
Quarter III 2014	34115	105.8	35387.1	103.3	8173.6	111.5	973.4	x	-10419.1	x	x	x	
Quarter IV 2014	29862.3	104.2	33501.8	103.9	7757.7	112.1	821.4	x	-12218.6	x	x	x	
Quarter I 2015	24423.2	104.8	27244.8	100.3	5972.5	107.8	-73.9	x	-8720.3	x	x	x	
Quarter II 2015	28526.8	102.5	31504.5	100.1	7053.9	98.5	-865.8	x	-9165.7	x	x	x	
Quarter III 2015	35889.6	96.3	36492.0	95.4	8534.7	95.2	594.4	x	-9731.5	x	x	x	
Quarter IV 2015	33011.3	96.7	35988.8	97.6	7931.1	97.1	-1606.9	x	-9301.7	x	x	x	
Quarter I 2016	27097.4	100.8	29742.0	101.9	5946.8	96.4	449.7	x	-9040.6	x	x	x	
Quarter II 2016	31433.8	101.8	34136.9	101.8	6838.3	90.6	113.1	x	-9654.5	x	x	x	
Quarter III 2016	39749.3	106.3	39624.7	104.1	8667.7	98.9	889.1	x	-9432.2	x	x	x	
Quarter IV 2016	36196.0	106.5	38608.8	103.7	8568.7	101.0	-1279.3	x	-9702.1	x	x	x	

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

CONSUMER PRICES				
	Growth rate of CPI, % (compared to the same period of previous year)	Growth rate of food prices, % (compared to the same period of previous year)	Growth rate of non-food prices, % (compared to the same period of previous year)	Growth rate of prices for services, % (compared to the same period of previous year)
2012	4.6	3.8	4.2	6.2
2013	4.6	6.6	4.3	2.6
2014	5.1	6.5	5.5	2.5
2015	9.7	9.8	11.8	6.2
2016	6.4	7.4	6.3	4.9
Q I 2014	5.4	7.9	4.8	2.7
Q II 2014	5.2	6.9	5.2	2.6
Q III 2014	5.1	6.1	5.6	2.6
Q IV 2014	4.8	5.1	6.3	1.9
Q I 2015	6.1	5.8	9.3	1.9
Q II 2015	8.0	8.7	11.1	2.6
Q III 2015	11.1	10.7	12.8	8.6
Q IV 2015	13.4	14.1	13.8	11.4
Q I 2016	11.0	12.2	10.0	10.5
Q II 2016	7.9	8.3	7.1	7.7
Q III 2016	4.5	6.2	5.0	2.1
Q IV 2016	2.5	3.2	3.5	0.2

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

CONSUMER PRICES			
	Growth rate of CPI, % (compared to the same period of previous year)	Growth rate of food prices, % (compared to the same period of previous year)	Growth rate of non-food prices, % (compared to the same period of previous year)
January 2015	4.7	4.5	7.0
February 2015	6.5	6	10.2
March 2015	7.1	7	10.7
April 2015	7.6	7.8	11
May 2015	8.1	9	11
June 2015	8.3	9.2	11.4
July 2015	8.6	8.7	12.2
August 2015	12.2	10.9	13.4
September 2015	12.6	12.6	12.9
October 2015	13.2	13.5	13.5
November 2015	13.5	14.5	13.8
December 2015	13.6	14.3	14.1
January 2016	13.4	14.6	13.3
February 2016	10.3	11.8	8.8
March 2016	9.4	10.1	7.9
April 2016	8.3	9.3	7.2
May 2016	7.9	8.1	7.3
June 2016	7.4	7.6	6.9
July 2016	7	7.9	5.9
August 2016	3.6	6.2	4.5
September 2016	3	4.6	4.6
October 2016	2.5	3.5	3.9
November 2016	2.6	3.2	3.5
December 2016	2.4	2.8	3.2
January 2017	3	3.8	3.9
February 2017	4.7	4.8	5.1

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

INDUSTRIAL PRODUCER PRICES						
	Growth rate of IPPI, % (compared to the same period of previous year)	Growth rate of prices in mining industry, % (compared to the same period of previous year)	Growth rate of prices in manufacturing industry, % (compared to the same period of previous year)	Growth rate of prices in energy sector, % (compared to the same period of previous year)	Growth rate of prices in constructions, % (compared to the same period of previous year)	Growth rate of prices for agricultural products, % (compared to the same period of previous year)
2012	5.7/3.1*	3.8/4.7*	5.1/2.0*	9.2/11.4*	10	17.7
2013	3.2/3.3*	1.6/1.6*	3.8/3.8*	-0.4/-0.4*	8.3	-22.2
2014	5.5*	3.9*	6.5*	-1.4*	8.2	6.6
2015	6.3	4.4	6.8	2.8	8.0	22.5
2016	4.5	2.8	4.4	6.3	8.6	-3.4
Q I 2014	4.9	1.3	5.9	-2.5	9.1	-15.2
Q II 2014	6.7	4.9	7.9	-2.5	7.4	-0.5
Q III 2014	6.4	5.1	7.4	-0.8	8.2	2.6
Q IV 2014	4.2	4.2	4.7	0	8.3	8.6
Q I 2015	5.7	5.6	6.3	0.7	7.7	1.0
Q II 2015	4.5	4.2	5.0	0.3	7.9	-13.8
Q III 2015	6.1	3.5	6.5	3.4	8.3	27.6
Q IV 2015	8.9	4.6	9.2	6.8	8.2	33.0
Q I 2016	6.7	3.3	6.2	10.7	9.1	-0.4
Q II 2016	5.2	3.1	5.1	6.6	7.6	7.8
Q III 2016	3.5	2.7	3.5	3.6	8.7	-7.5
Q IV 2016	2.8	2.1	2.6	4.4	8.9	-4.8

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

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

INDUSTRIAL PRODUCER PRICES				
	Growth rate of IPPI, % (compared to the same period of previous year)	Growth rate of prices in mining industry, % (compared to the same period of previous year)	Growth rate of prices in manufacturing industry, % (compared to the same period of previous year)	Growth rate of prices in energy sector, % (compared to the same period of previous year)
January 2015	4.6	7.0	7.0	0.8
February 2015	6.2	5.1	7	0.6
March 2015	6.2	4.6	6.9	0.8
April 2015	5.5	5.3	6.1	0.3
May 2015	4.5	4.7	5	0.3
June 2015	3.4	2.6	3.9	0.3
July 2015	3.8	3.4	4.2	0.3
August 2015	7.4	3.4	7.2	9.8
September 2015	7.2	3.7	8.2	0.2
October 2015	8.2	3.9	9.3	0.2
November 2015	9.3	4.6	9.4	9.8
December 2015	9.1	5.3	9.0	10.5
January 2016	8.2	4.2	8.1	9.7
February 2016	6.2	3.6	5.6	11.1
March 2016	5.6	2.2	4.9	11.4
April 2016	5.1	3.0	5.0	6.6
May 2016	5.4	3.1	5.3	6.6
June 2016	5.2	3.3	5.1	6.6
July 2016	4.9	2.5	4.7	6.7
August 2016	2.5	2.5	3.2	-2.6
September 2016	3.1	3	2.7	6.7
October 2016	3.1	1.9	2.5	9
November 2016	2.4	2.7	2.3	2.4
December 2016	2.8	1.8	2.9	1.8
January 2017	3	0.9	3.1	1.8

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

EXCHANGE RATE							
	MDL/USD nominal exchange rate	MDL/EUR nominal exchange rate	Growth rate of MDL/USD nominal exchange rate, % (compared to the same period of previous year)	Growth rate of MDL/EUR nominal exchange rate, % (compared to the same period of previous year)	Growth rate of MDL/USD real exchange rate, % (compared to the same period of previous year)	Growth rate of MDL/EUR real exchange rate, % (compared to the same period of previous year)	
2012	12.1	15.6	3.2	-4.7	0.7	-6.5	
2013	12.6	16.7	3.9	7.4	0.9	4.3	
2014	14.0	18.6	11.1	11.4	7.8	6.6	
2015	18.8	20.9	34.3	12.4	22.3	2.3	
2016	19.8	22.1	5.3	5.7	0.02 ¹	-0.3	
Q I 2014	13.4	18.3	9.8	13.9	5.4	10.1	
Q II 2014	13.7	18.8	10.4	16.0	7.1	12.1	
Q III 2014	14.1	18.7	10.0	10.3	7.5	5.2	
Q IV 2014	15.0	18.8	15.4	6.0	11.1	1.2	
Q I 2015	18.0	20.4	34.7	10.9	25.7	4.2	
Q II 2015	18.1	20.1	32.6	6.9	21.7	-1.1	
Q III 2015	19.4	21.6	38.1	15.8	22.0	3.3	
Q IV 2015	19.9	21.8	32.5	16.2	16.7	2.6	
Q I 2016	20.1	22.1	11.4	8.8	1.0	-2.0	
Q II 2016	19.8	22.4	9.2	11.5	1.4	3.3	
Q III 2016	19.8	22.1	2.1	2.3	-1.5	0.2	
Q IV 2016	20.0	21.6	0.7	-0.7		-2.6	

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

¹ Based on data for January-November 2016.

PUBLIC FINANCES						
Period	NPB revenues, MDL million	Increase on NPB revenues, % (compared to the same period of previous year)	NPB expenditures, MDL million	Increase on NPB expenditures, % (compared to the same period of previous year)	Sources of financing of NPB, MDL million (end of period balance)	Tax burden, %
2012	33526.1	11	35364	10	1837.9	31
2013	36908.5	10	38673.1	9	1764.6	37
2014	42446.8	0.15	44393.1	15	1946.7	32
2015	43660.7	2.86	46393.9	4.51	2733.2	35.8
2016	45946.9	5.24	48434	4.40	3 298.5	43.2
Quarter I 2014	8413.2	0.12	8483.2	12	70	
Quarter II 2014	18847	0.13	19312	13	465	
Quarter III 2014	30454	0.18	30533.6	15	260.5	
Quarter IV 2014	42446.8	0.15	44393.1	15	1946.7	
Quarter I 2015	10173.8	20.93	9830.5	15.88	343.3	
Quarter II 2015	20790.5	10.31	21463.9	11.14	673.6	
Quarter III 2015	31822.5	4.49	32687.1	7.05	864.6	
Quarter IV 2015	43660.7	2.86	46393.9	4.51	2733.2	
Quarter I 2016	9916.9	-2.5	9826.4	-0.04	-90.5	
Quarter II 2016	21031.3	1.2	21709.4	1.1	678.1	
Quarter III 2016	32470.3	1.8	33516.0	2.5	1045.7	
Quarter IV 2016	45946.9	2.4	48434	2.8	3 298.5	

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

PUBLIC FINANCES								
Period	NPB revenues, MDL million	Increase on NPB revenues, % (compared to the previous period)	NPB expenditures, MDL million	Increase on NPB expenditures, % (compared to the previous period)	Sources of financing of NPB, MDL million (end of period balance)	Public debt, MDL million	Domestic state debt by maturity, MDL million	External state debt by maturity, MDL million
January 2014	2359.7	0.08	2395.3	9	35.6	24200.8	6899.3	17301.5
February 2014	5018.3	0.11	5353.9	12	274.6	24701.0	7028.7	17672.2
March 2014	8413.2	0.12	8483.2	12	70	24456.0	7006.7	17449.3
April 2014	11796.9	0.10	11888.6	10	91.7	25061.1	7079.3	17981.8
May 2014	14768.6	0.10	14768.6	11	542.4	25588.1	7142.1	18446
June 2014	18847	0.13	19312	13	465	25899.7	7166.0	18733.7
July 2014	22170.2	0.11	22687.2	11	517	25409.0	6905.9	18503.1
August 2014	26944.5	0.19	26615.5	14	329	25361.4	6916.0	18445.4
September 2014	30454	0.18	30533.6	15	260.5	25982.2	7025.4	18956.8
October 2014	34238.3	0.16	34818.3	17	580	26367.2	7162.4	19204.8
November 2014	37681.9	0.15	38762.7	17	1080.8	26564.0	7103.5	19380.5
December 2014	42446.8	0.15	44393.1	15	1946.7	27470.6	7075.4	20395.3
January 2015	2620.3	11.04	2853.1	19.11	232.8	30105.0	7239.8	22865.3
February 2015	5449.0	8.58	6323.4	18.11	874.4	31168.6	6988.5	24180.1
March 2015	10173.8	20.93	9830.5	15.88	343.3	29901.3	6829.6	23071.7
April 2015	13550.4	14.86	13738.3	15.56	187.9	29883.2	6788.6	23094.6
May 2015	16693.2	13.03	17252.8	16.82	559.6	29926.3	6937.7	22988.6
June 2015	20790.5	10.31	21463.9	11.14	673.6	31225.7	7090.7	24135.0
July 2015	24634.1	11.11	25583.4	12.77	949.3	31259.9	7168.2	24091.7
August 2015	28020.7	3.99	29181.6	9.64	1160.9	32951.4	7224.8	25726.5
September 2015	31822.5	4.49	32687.1	7.05	864.6	33554.1	6714.2	26824.7
October 2015	35468.3	3.59	36499.4	4.83	1031.1	32947.2	6400.3	26546.9
November 2015	39214.3	4.07	40567.1	4.65	1352.8	32714.7	6432.5	26282.2
December 2015	43660.7	2.86	46393.9	4.51	2733.2	33508.8	7225.4	26283.4
January 2016	2582.0	-1.5	2485.1	-13	-96.9	34897.1	7439.7	27457.4
February 2016	5567.4	2.2	6042.5	-4.4	475.1	34626.1	7884.8	26741.2
March 2016	9916.9	-2.5	9826.4	-0.04	-90.5	34794.7	8184.5	26610.2
April 2016	13579.6	0.2	14042.1	2.2	462.5	35356.5	8406.9	26949.6
May 2016	17018.1	1.9	17715.0	2.7	696.9	35556.3	8420.8	27135.5
June 2016	21031.3	1.2	21709.4	1.1	678.1	35596.4	8530.4	27066.0
July 2016	24620.9	-0.01	25780.9	0.7	1160.0	35580.1	8741.0	26839.1
August 2016	28354.7	-1.19	29619.5	1.50	1264.8	37380.32	8615.9	28764.40
September 2016	32470.3	2.04	33516.0	2.54	1045.7	37207.89	8526.81	28681.08
October 2016	36297.5	2.34	37921.7	2.90	1624.7	50343.66	21784.05	28559.61
November 2016	40172.5	2.44	42311.7	4.30	2139.2	50585.34	21695.67	28899.67
December 2016	45946.9	5.24	48434	4.40	3 298.5	59371.9	23827.2	35544.7

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

BANKING SECTOR															
Period	Indicators				Deposits structure, %			Earnings and profitability, %		Liquidity ratio, %		Deposits interest rate, %		Loans interest rate, %	
	Bank assets (stock at the end of period), million MDL	Bank liabilities (stock at the end of the period), million MDL	Loans (stock at the end of period) MDL million, volume per years	Deposits (stock at the end of period), million MDL	Deposits of individuals/total deposits	Deposits of legal entities/total deposits	Currency deposits/total deposits	Return on assets	Return on equity	Principle I	Principle II > 20 %	In national currency	In foreign currency	In national currency	In foreign currency
2012	58304.4	48058.4	35948.2	36272.3	64.1	31.9	43.8	1.1	5.6	0.7	32.9	7.59	4.3	13.34	8.28
2013	76183.9	64752.9	42632.7	45081.0	65.8	34.2	44.7	1.6	9.4	0.7	33.8	7.23	4.41	12.26	7.77
2014	97584.4	85152.9	40841.9	65462.5	52.8	26.1	52.0	0.9	6.3	1.5	21.6	5.72	4.19	10.59	7.99
2015	69095.5	57330.1	38187.6	50201.4	69.7	29.9	52.4	2.10	12.78	0.70	41.55	14.22	2.12	15.58	6.93
2016	72 942.18	46318.71	34 761.3	54838.51	68.69	31.0	46.47	1.97	11.95	0.63	49.22	18.44	1.91	16.4	6.33
Quarter I 2014	78744.2	66729.5	43292.3	54360.3	59.7	29.7	46.2	1.2	8.5	0.7	34.6	5.94	4.43	11.60	8.12
Quarter II 2014	79991.1	67845.4	45113.0	55631.9	60.2	29.1	48.5	1.1	7.8	0.7	34.2	4.92	3.85	10.03	7.78
Quarter III 2014	82113.9	69712.2	47228.4	57845.1	58.6	29.3	51.8	1.2	8.4	0.7	34.2	5.81	4.18	10.97	7.61
Quarter IV 2014	97584.4	85152.9	40841.9	65462.5	52.8	26.1	52.0	0.9	6.3	1.5	21.6	6.47	3.98	10.95	7.72
Quarter I 2015	98270.1	85608.5	41974.3	66764.8	52.4	25.4	56.4	1.1	9.7	1.5	25.2	11.61	2.63	13.49	7.43
Quarter II 2015	101176.4	88267.8	42780.1	66751.6	52.8	24.8	56.0	1.1	8.9	1.5	27.0	11.34	2.26	13.91	6.83
Quarter III 2015	104504.0	91248.3	43779.0	66808.6	68.4	30.8	55.4	2.6	16.1	0.7	38.8	13.80	2.08	15.44	6.70
Quarter IV 2015	69095.5	57330.1	38187.6	50201.4	69.7	29.9	52.4	2.10	12.78	0.70	41.55	14.22	2.12	15.58	6.93
Quarter I 2016	69662.1	57582.4	37851.2	50071.9	71.5	28.3	51.8	2.60	15.73	0.68	42.31	14.69	2.06	15.53	6.14
Quarter II 2016	70578.5	58563.8	37236.2	52216.2	71.1	28.5	78.7	2.37	14.39	0.68	45.02	10.71	2.20	14.15	6.14
Quarter III 2016	72727.7	60202.6	36336.5	54263.3	68.9	30.8	47.0	2.47	15.01	0.65	47.20	7.60	2.12	13.59	5.78
Quarter IV 2016	72 942.18	46318.71	34 761.3	54838.51	68.69	31.0	46.47	1.97	11.95	0.63	49.22	18.44	1.91	16.4	6.33

BANKING SECTOR													
Period	Indicators				Deposits structure, %			Earnings and profitability, %		Liquidity Ratio, %		Deposits interest rate, %	
	Bank assets (stock at the end of period), million MDL	Bank liabilities (stock at the end of the period), million MDL	Loans (stock at the end of period) million MDL	Deposits (stock at the end of period), million MDL	Deposits of individuals/total deposits	Deposits of legal entities/total deposits	Currency deposits/total deposits	Return on assets	Return on equity	Principle I	Principle II > 20 %	In national currency	In foreign currency
January 2015	102707.6	90163.6	42139.9	68823.5	52.7	25.9	55.5	1.5	12.6	1.5	24.4	6.92	3.93
February 2015	102170.8	89465.8	42831.8	69410.5	52.1	25.7	58.1	1.9	15.9	1.5	10.5	8.88	3.37
March 2015	98270.1	85608.5	41974.3	66764.8	52.4	25.4	56.4	1.1	9.7	1.5	25.2	11.61	2.63
April 2015	98700.7	85844.7	41792.4	66295.4	52.8	25.2	55.6	1.2	9.7	1.5	26.1	11.76	2.40
May 2015	99645.2	86598.7	41756.9	65902.9	52.4	25.5	55.2	1.4	11.2	1.5	27.6	11.58	2.38
June 2015	101176.4	88267.8	42780.1	66751.6	52.8	24.8	56.0	1.1	8.9	1.5	27.0	11.34	2.26
July 2015	101387.9	88361.2	42664.2	65505.5	52.5	24.7	55.9	1.2	9.7	1.5	12.7	11.93	2.02
August 2015	102187.4	88919.2	43199.3	65708.8	52.9	23.6	56.3	1.41	11.33	1.58	14.08	13.25	2.15
September 2015	104504.0	91248.3	43779.0	66808.6	68.4	30.8	55.3	2.64	16.07	0.73	38.83	13.80	2.08
October 2015	69254.1	57389.9	39358.7	50120.1	69.0	30.3	54.9	1.82	14.41	0.73	39.73	14.02	2.31
November 2015	68862.2	56884.1	38731.9	49505.2	69.7	29.8	53.5	1.83	14.17	0.72	40.23	14.35	2.06
December 2015	69095.5	57330.1	38187.6	50201.4	69.7	29.9	52.4	2.10	12.78	0.70	41.55	14.22	2.12
January 2016	70351.8	58468.9	38165.3	51314.1	70.4	29.2	53.5	2.54	15.55	0.69	42.59	15.33	2.20
February 2016	69742.6	57667.9	37307.9	50676.4	70.3	29.3	52.1	2.65	16.05	0.67	43.25	14.44	2.05
March 2016	69662.1	57582.4	37851.2	50071.9	71.5	28.3	51.8	2.60	15.73	0.68	42.31	14.69	2.06
April 2016	69885.5	57647.5	37576.6	50940.0	71.5	28.1	50.1	2.57	15.46	0.67	43.58	13.86	2.45
May 2016	70843.1	58705.8	37383.6	51942.8	70.8	28.9	49.5	2.83	17.04	0.67	44.83	12.48	2.12
June 2016	70578.5	58563.8	37236.2	52216.2	71.1	28.5	78.7	2.37	14.39	0.68	45.02	10.71	2.20
July 2016	70925.1	58746.1	37104.7	52546.6	70.7	28.9	47.7	2.40	14.60	0.67	45.14	9.85	2.15
August 2016	72473.6	60118.1	37157.8	54047.2	69.1	30.7	47.6	2.41	14.88	0.67	46.09	8.24	2.15
September 2016	72727.7	60202.6	36336.5	54263.3	68.9	30.8	47.0	2.47	15.01	0.65	47.20	7.60	2.12
October 2016	73189.7	60523.8	35929.3	54564.4	68.4	31.4	47.1	2.41	14.66	0.65	47.61	7.24	2.14
November 2016	72873.2	60145.3	35621.7	54421.7	68.8	31.0	47.1	2.24	13.59	0.64	48.09	7.48	1.96
December 2016	72 942.18	46318.71	34 761.3	54838.51	68.69	31.0	46.47	1.97	11.95	0.63	49.22	18.44	1.91
												16.4	6.33

External sector: investment and remittances						
Period	Share capital	Reinvested income	Other capital	FDI net inflow, mln. USD	Workers' compensation	Personal remittances
2012	144.6	-11.0	61.5	195.1	1010.0	976.5
2013	160.3	19.2	63.2	242.7	1118.1	1073.6
2014	165.5	33.1	1.9	207.4	1068.2	1015.4
2015	73.9	159.6	-	-	799.5	753.9
2016	66.2	96.18	25.1		713.5	750.4
Quarter I 2014	37.2	13.9	-21.4	29.8	214.7	215.7
Quarter II 2014	71.4	8.0	-19.4	60.1	295.9	271.6
Quarter III 2014	15.7	39.6	17.8	73.1	309.3	298.8
Quarter IV 2014	41.2	-28.5	24.9	37.6	248.4	229.4
Quarter I 2015	20.5	41.9	13.1	75.5	174.7	168.1
Quarter II 2015	17.4	82.2	4.6	104.1	211.2	200.6
Quarter III 2015	13.9	15.0	-18.0	10.9	207.3	192.0
Quarter IV 2015	18.5	20.5	-	-	191.7	191.3
Quarter I 2016	16.4	24.66	16.0	-	148.4	166.13
Quarter II 2016	9.6	16.8	2.6		186.2	194.5
Quarter III 2016	17.4	58.5	2.1		199.9	190.9
Quarter IV 2016	22.8	-3.78	4.4		179.9	198.9

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

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

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

External sector: foreign trade in goods																
Nominal value of export by categories of services, mln. USD																
	2012	2013	2014	2016	Q. I 2014	Q. II 2014	Q. III 2014	Q. IV 2014	Q. I 2015	Q. II 2015	Q. III 2015	Q. IV 2015	Q. I 2016	Q. II 2016	Q. III 2016	Q. IV 2016
Export of services	902.0	987.8	958.8	894.3	217.0	247.9	246.9	246.9	181.6	207.2	222.2	220.7	188.4	220.8	245.4	241.7
Transport	363.1	403.6	374.3	338.3	87.0	101.0	96.4	89.9	69.2	79.6	86.9	75.9	70.2	83.9	97.8	86.4
Trips	198.5	225.5	228.6	245.8	45.3	56.6	63.7	62.9	39.9	50.3	60.3	58.8	48.0	59.4	73.8	64.6
Business trips	56.6	67.6	65.6	162.9	13.2	16.3	19.1	17.0	14.8	18.5	19.9	19.2	19.3	20.5	24.6	19.0
Personal trips	141.9	157.9	162.9	247.2	32.1	40.3	44.6	45.9	25.1	31.8	40.5	39.6	28.7	39.0	49.2	45.6
Communication services	140.0	137.4	129.8	84.7	30.7	33.8	34.4	31.0	27.6	28.7	26.1	23.5	23.6	23.3	19.6	19.6
Constructions services	3.3	5.3	5.3	4.6	1.0	1.0	1.4	1.9	0.9	1.6	1.4	1.1	1.0	0.7	1.6	1.6
Insurance services	0.9	0.8	0.6	0.2	0.3	0.2	0.1	0.1	0.0	0.0	0.1	0.4	0.1	0.05	0.01	0.04
Financial services	3.7	5.3	5.7	5.4	1.5	1.3	1.3	1.7	0.8	0.8	1.2	1.9	1.6	1.12	1.0	1.7
Information and informational services	55.8	62.7	71.0	78.5	16.8	17.5	17.4	19.3	17.0	17.5	17.4	18.1	14.7	17.9	20.9	25.0
Royalty services and fees for licenses	4.6	6.1	6.9	5.2	1.5	2.1	1.9	1.5	0.8	1.5	1.0	1.1	1.0	1.6	1.8	1.8
Other business services	91.6	99.3	99.7	92.8	24.9	25.7	21.7	27.3	19.0	19.2	19.8	27.2	21.1	23.8	20.4	27.5
Personal, cultural and recreation services	1.3	1.6	1.9	2.1	0.7	0.5	0.4	0.3	0.3	0.4	0.5	0.9	0.3	0.4	0.7	0.7
Governmental services unlisted somewhere else	39.2	40.2	35.0	35.9	7.4	8.4	8.3	11.0	6.1	7.5	7.6	11.6	6.6	8.7	7.7	12.9
Export of services structure, %																
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Export of services	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Transport	40.3	40.9	39.0	37.8	40.1	40.7	39.0	36.4	38.1	38.4	39.1	34.4	37.3	38	38.4	35.7
Trips	22.0	22.8	23.8	27.5	20.9	22.8	25.8	25.5	22.0	24.3	27.1	26.6	25.5	26.9	29.0	26.7
Business trips	6.3	6.8	6.8	27.5	6.1	6.6	7.7	6.9	8.1	8.9	9.0	8.7	10.2	9.3	9.7	7.9
Personal trips	15.7	16.0	17.0	27.6	14.8	16.3	18.1	18.6	13.8	15.3	18.2	17.9	15.2	17.7	19.3	18.9
Communication services	15.5	13.9	13.5	9.5	14.1	13.6	13.9	12.6	15.2	13.9	11.7	10.6	12.5	10.6	7.7	8.1
Constructions services	0.4	0.5	0.6	0.5	0.5	0.4	0.6	0.8	0.5	0.8	0.6	0.5	0.5	0.3	0.6	0.7
Insurance services	0.1	0.1	0.1	0.02	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.2	0.1	0.002	0.03	0.02
Financial services	0.4	0.5	0.6	0.6	0.7	0.5	0.5	0.7	0.4	0.4	0.5	0.9	0.8	0.5	0.4	0.7
Information and informational services	6.2	6.3	7.4	8.8	7.7	7.1	7.0	7.8	9.4	8.4	7.8	8.2	7.8	8.1	8.2	10.3
Royalty services and fees for licenses	0.5	0.6	0.7	0.6	0.7	0.8	0.8	0.6	0.4	0.7	0.5	0.5	0.5	0.7	0.7	0.7
Other business services	10.2	10.1	10.4	10.4	11.5	10.4	8.8	11.1	10.5	9.3	8.9	12.3	11.2	10.8	8.0	11.4
Personal, cultural and recreation services	0.1	0.2	0.2	0.2	0.3	0.2	0.2	0.1	0.2	0.2	0.2	0.4	0.2	0.2	0.3	0.3
Governmental services unlisted somewhere else	4.3	4.1	3.7	4.0	3.4	3.4	3.4	4.5	3.4	3.6	3.4	5.3	3.5	3.9	3.0	5.3

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

External sector: foreign trade in services

Nominal value of import by categories of services, mln. USD

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

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

External sector: foreign trade in goods													
Period	Total value of external trade in goods, mln. USD				Value of export, mln. USD				Value of import, mln. USD				Net export, mln. USD
	Total	CIS	EU	Other countries	Total	CIS	EU	Other countries	Total	CIS	EU	Other countries	
2010	5396.8	1880.9	2433.1	1082.8	1541.5	624.0	728.9	188.6	3855.3	1256.9	1704.2	894.2	-2313.8
2011	7408.1	2632.7	3339.3	1436.1	2216.8	919.3	1083.0	214.5	5191.3	1713.4	2256.3	1221.6	-2974.5
2012	7374.7	2551.8	3332.0	1490.9	2161.8	928.1	1013.4	220.3	5212.9	1623.7	2318.6	1270.6	-3051.1
2013	7920.7	2595.5	3609.4	1715.8	2428.3	923.2	1137.3	367.8	5492.4	1672.3	2472.1	1348.0	-3064.1
2014	7656.5	2184.9	3813.7	1657.9	2339.5	735.6	1246.1	357.8	5317.0	1449.3	2567.6	1300.1	-2977.5
2015	5953.7	1510.4	3171.7	1271.6	1966.9	492.3	1217.6	257.0	3986.8	1018.1	1954.1	1014.6	-2019.9
2016	6065.7	1441.6	3306.1	1317.5	2045.3	414.2	1332.4	298.7	4020.4	1027.4	1973.7	1019.2	-1975.1
Quarter I 2012	1708.8	655.1	720.4	333.3	504.6	201.1	252.2	51.3	1204.2	454.0	468.2	282.0	-699.6
Quarter II 2012	1793.5	572.0	853.0	368.5	537.0	227.2	255.8	54.0	1256.5	344.8	597.2	314.5	-719.5
Quarter III 2012	1779.6	609.9	799.4	370.3	506.7	238.9	213.1	54.7	1272.9	371.0	586.3	315.6	-766.2
Quarter IV 2012	2092.8	714.8	959.2	418.8	613.5	260.9	292.3	60.3	1479.3	453.9	666.9	358.5	-865.8
Quarter I 2013	1832.4	673.2	773.8	385.4	589.7	246.3	260.3	83.1	1242.7	426.9	513.5	302.3	-653.0
Quarter II 2013	1897.8	592.1	881.7	424.0	546.6	208.3	251.1	87.2	1351.2	383.8	630.6	336.8	-804.6
Quarter III 2013	1981.0	631.7	907.3	442.0	604.8	234.4	275.8	94.6	1376.2	397.3	631.5	347.4	-771.4
Quarter IV 2013	2209.5	698.5	1046.6	464.4	687.2	234.2	350.1	102.9	1522.3	464.3	696.5	361.5	-835.1
Quarter I 2014	1791.2	565.1	867.9	358.2	573.0	180.8	318.9	73.3	1218.2	384.3	549.0	284.9	-645.2
Quarter II 2014	1928.0	523.3	995.7	409.0	599.2	204.5	301.9	92.8	1328.8	318.8	693.8	316.2	-729.6
Quarter III 2014	1884.0	520.1	954.1	409.8	565.2	184.3	284.0	96.9	1318.8	335.8	670.1	312.9	-753.6
Quarter IV 2014	2053.3	576.4	996.0	480.9	602.1	166.0	341.3	94.8	1451.2	410.4	654.7	386.1	-849.1
Quarter I 2015	1464.3	394.0	753.3	317.0	488.1	104.0	320.0	64.1	976.2	290.0	433.3	252.9	-488.1
Quarter II 2015	1513.5	354.6	835.0	274.4	504.8	137.5	306.1	61.2	1009.1	217.1	528.9	262.7	-503.9
Quarter III 2015	1432.7	360.8	772.4	299	455.5	125.2	273.1	56.7	977.2	235.6	499.3	242.3	-521.7
Quarter IV 2015	1543.5	400.8	811.2	331.5	519.2	125.5	318.8	74.9	1024.4	275.3	492.4	256.6	-497.1
Quarter I 2016	1306.6	335.5	692.7	278.4	417.2	85	266.2	66	889.4	250.5	426.5	212.4	-472.2
Quarter II 2016	1496.6	324.7	832	339.5	488.9	102.7	308.0	78.2	1007.7	222	524	261.3	-518.8
Quarter III 2016	1554.2	369.9	853.4	330.9	527.3	113.3	341	73	1026.9	256.6	512.4	257.9	-499.6
Quarter IV 2016	1737.8	411.6	956.4	369.8	612.6	113.3	417.9	81.4	1125.2	298.3	538.5	288.4	-512.6

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

Period	External sector: foreign trade in goods												
	Total value of external trade in goods, mln. USD				Value of export, mln. USD				Value of import, mln. USD				Net export, mln. USD
	Total	CIS	EU	Other countries	Total	CIS	EU	Other countries	Total	CIS	EU	Other countries	
January 2015	417.1	120.8	208.5	87.8	147.8	28.9	100	18.9	269.3	91.9	108.5	68.9	-121.5
February 2015	469.8	126	244.8	99	165.5	33.5	110.9	21.1	304.3	92.5	133.9	77.9	-138.8
March 2015	577.3	147.2	299.9	130.2	174.7	41.6	109	24.1	402.6	105.6	190.9	106.1	-227.9
April 2015	480.8	112.4	268.9	99.5	151.3	34	94.8	22.5	329.5	78.4	174.1	77	-178.2
May 2015	500.9	111.6	281.1	108.2	172.9	44.4	109.8	18.7	328	67.2	171.3	89.5	-155.1
June 2015	531.9	130.6	285	116.3	180.6	59.1	101.6	19.9	351.3	71.5	183.4	96.4	-170.7
July 2015	505.8	130.4	273.2	102.1	164.9	51.3	95.9	17.6	340.9	79.1	177.3	84.5	-176.0
August 2015	425.8	112.9	223.8	88.7	127.2	35.7	73.4	17.7	298.6	77.2	150.4	71.0	-171.4
September 2015	501.1	117.5	275.4	108.2	163.4	38.2	103.8	21.4	337.7	79.3	171.6	86.8	-174.3
October 2015	525.7	130.1	288.6	107	188.5	48.9	115.8	23.8	337.2	81.2	172.8	83.2	-148.7
November 2015	501.7	131.2	267.6	102.9	167.2	38.5	104.7	24.0	334.5	92.7	162.9	78.9	-167.3
December 2015	516.1	139.5	255	121.6	163.5	38.1	98.3	27.1	352.6	101.4	156.7	94.5	-189.1
January 2016	324.1	93.8	163	67.3	116.7	19.7	78	19	207.4	74.1	85	48.3	-90.7
February 2016	425.5	109	222	94.3	138.5	28.6	89.8	20.1	287.0	80.4	132.2	74.2	-148.5
March 2016	557	132.8	307.5	116.7	162.0	36.7	98.4	26.9	395.0	96.1	209.1	89.8	-233.0
April 2016	533.5	122.9	289.1	121.5	178.5	38.6	105.9	34.0	355.0	84.3	183.2	87.5	-176.5
May 2016	481.0	101.9	264.7	113.4	153.0	29.8	98.1	25.1	328.0	73.1	166.6	88.3	-175
June 2016	482.1	98.9	278.6	104.6	157.4	34.3	104.0	19.1	324.7	64.6	174.6	85.5	-170.3
July 2016	479.8	110.6	272.7	96.5	165.7	35.2	107.8	22.7	314.1	75.4	164.9	73.8	-148.4
August 2016	519.1	124.9	277.6	116.6	168	40.9	103.1	24.0	351.1	84.0	174.5	92.6	-183.1
September 2016	555.3	134.4	303.1	117.8	193.6	37.2	130.1	26.3	361.7	97.2	173.0	91.5	-168.1
October 2016	581	141.4	322.4	117.2	200.8	42.5	132.1	26.2	380.2	98.9	190.3	91	-179.4
November 2016	571.5	129.3	322.9	119.3	217.9	37.1	153.2	27.6	353.6	92.2	169.7	91.7	-135.7
December 2016	585.3	140.9	311.1	133.3	193.9	33.7	132.6	27.6	391.4	107.2	178.5	105.7	-197.5

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

External sector: foreign trade in goods													
Period	Annual growth in value of merchandise trade sply, %				Annual growth of exports sply, %				Annual growth of imports sply, %				Annual growth of net exports, sply, %
	Total	CIS	EU	Other countries	Total	CIS	EU	Other countries	Total	CIS	EU	Other countries	
2012	-0.5	-3.1	-0.2	3.8	-2.5	1.0	-6.4	2.7	0.4	-5.2	2.8	4.0	2.6
2013	7.4	1.7	8.3	15.1	12.3	-0.5	12.2	67.0	5.4	3.0	6.6	6.1	0.4
2014	-3.3	-15.8	5.7	-3.4	-3.7	-20.3	9.6	-2.7	-3.2	-13.3	3.9	-3.6	-2.8
2015	-22.2	-30.9	-16.8	-23.3	-15.9	-33.1	-2.3	-28.2	-2.5	-29.8	-23.9	-22	-32.2
2016	1.9	-4.6	4.2	3.6	3.9	-15.9	9.4	16.2	0.8	0.9	1.0	0.5	-2.3
Quarter I 2014	-2.2	-16.1	12.2	-7.1	-2.8	-26.6	22.5	-11.8	-2.0	-10.0	6.9	-5.8	-1.2
Quarter II 2014	1.6	-11.6	12.9	-3.5	9.6	-1.8	20.2	6.4	-1.7	-16.9	10.0	-6.1	-9.3
Quarter III 2014	-4.9	-17.7	5.2	-7.3	-6.5	-21.4	3.0	2.4	-4.2	-15.5	6.1	-9.9	-2.3
Quarter IV 2014	-7.1	-17.5	-4.8	3.6	-12.4	-29.1	-2.5	-7.9	-4.7	-11.6	-6.0	6.8	1.7
Quarter I 2015	-18.3	-30.3	-13.2	-11.5	-14.8	-42.5	0.3	-12.6	-19.9	-24.5	-21.1	-11.2	-24.3
Quarter II 2015	-21.5	-32.2	-16.1	-32.9	-15.8	-32.8	1.4	-34.1	-24.1	-31.9	-23.8	-16.9	-30.9
Quarter III 2015	-24.0	-30.6	-19.0	-27.0	-19.4	-32.1	-3.8	-41.5	-25.9	-29.8	-25.5	-22.6	-30.8
Quarter IV 2015	-24.8	-21.5	-19.6	-31.1	-13.8	-24.4	-6.4	-21	-29.4	-32.9	-24.8	-33.5	-41.5
Quarter I 2016	-10.8	-14.9	-8.1	-12.2	-14.6	-18.3	-16.9	2.9	-8.9	-13.7	-1.6	-16.1	-3.3
Quarter II 2016	-1.2	-8.4	-0.4	23	-3.2	-25.4	0.6	27	-0.2	22	-1	-0.5	2.9
Quarter III 2016	8.4	2.5	10.4	10.6	15.8	-9.5	24.9	28.7	5.0	8.9	2.9	6.4	-4.3
Quarter IV 2016	11.8	11.2	12.0	11.8	16.2	1	26.6	11.5	9.6	16.3	5.1	11.8	-2.6

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

External sector: indices of trade with goods							
Period	Value indices of exported goods (the same period of the previous year=100), %	Value indices of imported goods (the same period of the previous year=100), %	Unit value indices of exported goods (the same period of the previous year=100), %	Unit value indices of imported goods (the same period of the previous year=100), %	Volume indices of exported goods (the same period of the previous year=100), %	Volume indices of imported goods (the same period of the previous year=100), %	
2012	97.5	100.4	97.0	99.0	101.0	101.0	
2013	112.3	105.4	98.0	99.0	113.0	106.0	
2014	96.3	96.8	94.0	96.0	102.0	101.0	
2015	84.1	75.1	83.0	78.5	101.5	95.8	
2016	104	101.5	96.2	68.8	108.3	108.4	
Quarter I 2014	97.2	98.0	97.2	98.0	106.0	100.0	
Quarter II 2014	109.6	98.3	97.0	100.0	113.0	98.0	
Quarter III 2014	93.5	95.8	95.0	97.0	98.0	99.0	
Quarter IV 2014	88.1	92.3	89.0	92.0	100.0	104.0	
Quarter I 2015	85.2	80.1	80.0	79.0	106.0	101.0	
Quarter II 2015	84.2	75.9	79.0	79.0	107.0	96.0	
Quarter III 2015	80.6	74.1	84.0	78.0	96.0	95.0	
Quarter IV 2015	86.3	70.6	89.0	78.0	97.0	91.0	
Quarter I 2016	85.5	91.1	95.0	88.0	90.0	104.0	
Quarter II 2016	96.6	99.9	98.0	93.0	99.0	107.0	
Quarter III 2016	115.9	105.1	95.9	94.2	120.9	111.5	
Quarter IV 2016	118.0	109.8	95.7	-	123.3	111.1	

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

External sector													
Value of exports, mln. USD													
	Q1/14	Q2/14	Q3/14	Q4/14	Q1/15	Q2/15	Q3/15	Q4/15	Q1/16	Q2/16	Q3/2016	Q4/16	
Total export	573.0	599.2	565.2	602.1	488.0	504.8	455.4	519.2	417.2	488.8	527.3	612.7	
<i>Agri food products</i>	255.7	259.3	246.0	300.1	243.6	233.2	177.6	131.5	176.1	205.8	230.6	321.7	
<i>Fruits and vegetables</i>	72.7	51.5	44.0	100.5	70.9	59.6	42.7	81.0	41.5	34.1	32.8	82.8	
<i>Cereals</i>	46.8	38.0	70.7	45.3	38.4	29.1	37.7	23.5	14.2	37.7	70.3	43.1	
<i>Oil seeds</i>	41.9	42.2	34.0	35.3	51.4	52.0	26.1	47.9	36.3	49.6	33.4	82.7	
<i>Beverages</i>	40.9	46.9	44.5	59.6	33.1	35.1	40.1	46.5	35.5	42.8	45.8	43.0	
<i>Oils</i>	30.2	24.5	2.9	21.9	22.7	25.7	1.2	22.4	13.3	11.5	1.4	28.0	
<i>Minerals</i>	3.8	5.2	4.2	2.9	2.2	2.5	3.8	1.6	2.2	2.9	4.3	2.4	
<i>Electrical machinery and equipment</i>	58.2	65.4	60.5	60.0	57.8	62.0	59.5	56.2	53.0	62.7	66.4	69.2	
<i>Clothing</i>	67.5	78.2	74.6	57.3	51.0	61.9	62.1	54.5	54.8	61.8	67.0	59.3	
<i>Drugs</i>	36.7	34.2	23.6	30.6	13.4	21.4	17.5	23.9	4.5	11.5	14.0	18.9	
<i>Furniture</i>	27.0	26.7	26.9	28.4	22.9	22.4	25.0	27.4	29	29.7	34.4	31.6	
Structure of export, %													
	Q1/14	Q2/14	Q3/14	Q4/14	Q1/15	Q2/15	Q3/15	Q4/15	Q1/16	Q2/16	Q3/16	Q4/16	
Total export	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
<i>Agri food products</i>	44.6	43.3	43.5	49.8	49.9	46.2	39.0	25.3	42.2	42.1	43.7	52.5	
<i>Fruits and vegetables</i>	12.7	8.6	7.8	16.7	14.5	11.8	9.4	15.6	9.9	6.9	6.2	13.5	
<i>Cereals</i>	8.2	6.3	12.5	7.5	7.9	5.8	8.3	4.5	3.4	7.7	13.3	7.0	
<i>Oil seeds</i>	7.1	7.2	5.8	6.0	8.7	8.8	4.4	9.2	8.7	10.1	6.3	13.5	
<i>Beverages</i>	7.1	7.8	7.9	9.9	6.8	6.9	8.8	9.0	8.6	8.8	8.7	7	
<i>Oils</i>	5.3	4.1	0.5	3.6	4.7	5.1	0.3	4.3	3.2	2.4	0.3	4.6	
<i>Minerals</i>	0.7	0.9	0.7	0.5	0.4	0.5	0.8	0.3	0.5	0.6	0.8	0.4	
<i>Electrical machinery and equipment</i>	10.2	10.9	10.7	10.0	11.8	12.3	13.1	10.8	12.7	12.8	12.6	11.3	
<i>Clothing</i>	11.8	13.0	13.2	9.5	10.4	12.3	13.6	10.5	13.1	12.6	12.7	9.8	
<i>Drugs</i>	6.4	5.7	4.2	5.1	2.7	4.2	3.8	4.6	1.1	2.4	2.7	3.1	
<i>Furniture</i>	4.7	4.4	4.8	4.7	4.7	4.4	5.5	5.2	6.9	6.1	6.5	5.2	

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

External sector													
Value of imports, mln. USD													
	Q1/2014	Q2/2014	Q3/2014	Q4/2014	Q1/2015	Q2/2015	Q3/2015	Q4/2015	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q4/2016
TOTAL	1 218.2	1 328.8	1 318.7	1 451.1	976.1	1 009.2	977.1	1 024.4	861.3	1 007.7	1 026.9	1 125.2	
Food products	133.9	142.3	127.9	138.9	92.1	116.2	94.5	127.9	103.1	108.6	97.7	132.0	
Fats and oils	2.6	3.5	2.9	3.9	2.2	2.1	2.1	2.5	1.7	2.3	3.4	2.7	
Beverages and tobacco	17.3	32.8	34.9	32.3	16.3	25.9	30.6	26.5	22.3	27.4	29.7	29.4	
Inedible raw materials	35.2	27.5	27.0	22.7	33.5	24.2	21.8	20.2	32.5	22.6	19.6	21.6	
Mineral fuels	293.5	244.8	258.6	334.0	234.7	163.6	150.5	168.9	156.6	126.5	136.3	195.7	
Chemical products	178.1	218.1	193.7	206.9	140.6	170.8	152.5	162.2	133.5	172.4	158.5	165.0	
Manufactured goods	201.1	269.3	283.6	238.5	169.9	211.8	222.9	203.2	170.7	231.5	239.2	211.8	
Machinery and equipment for transport	249.9	275.3	266.3	332.3	198.6	202.6	208.1	211.8	162.4	216.0	236.6	249.5	
Manufactured items	101.4	115.2	123.6	141.6	87.5	91.2	92.6	99.6	76.5	99.1	105.7	117.0	
Structure of imports, %													
	Q1/2014	Q2/2014	Q3/2014	Q4/2014	Q1/2015	Q2/2015	Q3/2015	Q4/2015	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q4/2016
TOTAL	100	100	100	100	100	100	100	100	100	100	100	100	100
Food products	10.9	10.7	9.7	9.6	9.4	11.5	9.8	12.5	12.0	10.8	9.5	11.7	
Fats and oils	0.2	0.3	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.2	
Beverages and tobacco	1.4	2.5	2.6	2.2	1.7	2.6	3.1	2.6	2.6	2.7	2.9	2.6	
Inedible raw materials	2.9	2.1	2.0	1.6	3.4	2.4	2.2	2.0	3.8	2.2	1.9	1.9	
Mineral fuels	24.5	18.4	19.6	23.0	24e.0	16.2	15.4	16.5	18.2	12.6	13.3	17.4	
Chemical products	14.6	16.4	14.7	14.3	14.4	16.9	15.6	15.8	15.5	17.1	15.4	14.7	
Manufactured goods	16.5	20.3	21.5	15.5	17.4	21.0	22.8	19.8	19.8	23.0	23.3	18.8	
Machinery and equipment for transport	20.5	20.7	20.2	22.9	20.3	20.1	21.3	20.7	18.9	21.4	23.0	22.2	
Manufactured items	8.3	8.7	9.4	9.8	9.0	9.0	9.5	9.7	8.9	9.8	10.3	10.4	

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

BUSINESS ENVIRONMENT		
Period	Registration of enterprises	Liquidation of enterprises
QIV 2010	1663	968
QIV 2011	1637	807
QIV 2012	1639	761
QIV 2013	1546	783
QIV 2014	1452	731
QIV 2015	1527	1093
QIV 2016	1419	831
Jan. 2015	481	215
Feb. 2015	579	280
Mar. 2015	542	283
Apr. 2015	500	255
May 2015	521	238
Jun. 2015	461	321
Jul. 2015	506	440
Aug. 2015	385	326
Sept. 2015	483	454
Oct. 2015	509	316
Nov. 2015	503	308
Dec. 2015	515	469
Jan. 2016	380	354
Feb. 2016	569	366
Mar. 2016	637	489
Apr. 2016	564	394
May 2016	401	290
Jun. 2016	399	348
Jul. 2016	441	292
Aug. 2016	396	317
Sep. 2016	467	374
Oct. 2016	492	313
Nov. 2016	477	246
Dec. 2016	450	272

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

Demographic situation														
Period	Live-births		Deceased		Infant deaths		Natural increase		Marriages		Divorces			
	Number of live-births- total (pers.)	Per 1000 people live-births	Number of deceased - total (pers.)	Per 1000 people - deaths	Number of infant deaths - total (pers.)	Per 1000 people	Natural increase (pers.)	Per 1000 people	Number of marriages - total (number)	Marriages per 1000 people	Number of divorces - total (number)	Divorces per 1000 people		
Number of the present population (thou. pers.) <i>beginning- year</i>		Number of the resident population (thou. pers.) <i>beginning-year</i>												
2012	3559.5	3412.6	39435	11.1	39560	11.1	387	9.8	-125	0.0	24262	6.8	10637	3.0
2013	3559.5	3414.3	37871	10.6	38060	10.7	359	9.4	-189	-0.1	24449	6.9	10775	3.0
2014	3557.6	3413.2	38616	10.9	39494	11.1	372	9.6	-878	-0.2	25624	7.2	11130	3.1
2015	3555.2	3384.1	38567	10.9	39905	11.2	374	9.7	-1338	-0.3	24689	6.9	11106	3.1
2016	3550.9	3369.1	37390	10.5	38487	10.8	352	9.4	-1097	-0.3	21916	6.2	10650	3.0
Quarter I 2014			8985	10.2	10956	12.5	99	11.0	-1971	-2.3	4152	4.7	2957	3.4
Quarter II 2014			18248	10.3	20542	11.6	188	10.3	-2294	-1.3	9876	5.6	5653	3.2
Quarter III 2014			29068	10.9	28932	10.9	280	9.6	136	0.0	19319	7.3	8141	3.1
Quarter IV 2014			38616	10.9	39494	11.1	372	9.6	-878	-0.2	25624	7.2	11130	3.1
Quarter I 2015			9179	10.5	11166	12.7	90	9.8	-1987	-2.2	3893	4.4	2864	3.3
Quarter II 2015			18522	10.5	21049	11.9	182	9.8	-2527	-1.4	9553	5.4	5724	3.2
Quarter III 2015			28881	10.9	29725	11.2	272	9.4	-844	-0.3	18727	7.0	8270	3.1
Quarter IV 2015			38567	10.9	39906	11.2	374	9.7	-1338	-0.3	24689	6.9	11106	3.1
Quarter I 2016			9342	10.6	10752	12.2	99	10.6	-1410	-1.6	3679	4.2	2767	3.1
Quarter II 2016			18258	10.3	20160	11.4	179	9.8	-1902	-1.1	8661	4.9	5574	3.2
Quarter III 2016			28264	10.6	28626	10.8	256	9.1	-362	-0.2	16872	6.3	7955	3.0
Quarter IV 2016			37390	10.5	38487	10.8	352	9.4	-1097	-0.3	21916	6.2	10650	3.0

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

Period		Labor market																			
		Activity rate of population, %					Number of employees (thou. pers.)	Employment rate of population, %					Number of ILO unemployed (thou. pers.)				Unemployment rate, %				
		Total	men	women	urban	rural		Total	men	women	urban	rural	Total	men	women	urban	rural				
2010	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			
2011	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			
2012	1214.5	40.7	43.5	38.2	47.0	36.0	1146.8	38.4	40.6	36.5	43.6	34.6	67.7	5.6	6.8	4.3	7.3	3.9			
2013	1235.9	41.4	44.5	38.6	45.6	38.1	1172.8	39.3	41.8	37.0	42.8	36.6	63.1	5.1	6.0	4.1	6.3	4.1			
2014	1232.4	41.2	44.1	38.6	44.1	39.1	1184.9	39.6	42.1	37.4	41.8	38.0	47.5	3.9	4.6	3.1	5.2	2.7			
2015	1265.6	42.4	45.1	39.9	44.9	40.4	1203.6	40.3	42.3	38.4	42.0	38.9	62.1	4.9	6.2	3.6	6.4	3.5			
2016	1272.8	42.6	45.4	40.1	45.0	40.8	1219.5	40.8	40.8	43.0	39.0	42.3	53.3	4.2	5.5	2.9	6.0	2.6			
Quarter I 2012	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	6.2			
Quarter II 2012	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			
Quarter III 2012	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			
Quarter IV 2012	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			
Quarter I 2013	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			
Quarter II 2013	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			
Quarter III 2013	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			
Quarter IV 2013	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	3.0			
Quarter I 2014	1128.1	37.7	40.4	35.4	43.9	33.2	1070.6	35.8	37.9	33.9	41.2	31.8	57.5	5.1	6.1	4.1	6.0	4.2			
Quarter II 2014	1328.6	44.5	47.8	41.5	45.0	44.1	1280.1	42.8	45.8	40.1	42.3	43.2	48.5	3.7	4.1	3.2	5.8	1.9			
Quarter III 2014	1319.6	44.2	47.5	41.1	44.5	43.9	1275.7	42.7	45.6	40.0	42.4	42.9	43.9	3.3	4.0	2.6	4.6	2.3			
Quarter IV 2014	1153.4	38.6	40.9	36.5	43.2	35.2	1113.1	37.2	39.0	35.6	41.3	34.2	40.2	3.5	4.5	2.4	4.2	2.8			
Quarter I 2015	1151.9	38.6	41.2	36.1	43.7	34.5	1054.0	35.3	36.6	34.1	39.7	31.8	97.9	8.5	11.2	5.7	9.2	7.8			
Quarter II 2015	1339.2	44.8	47.9	42.1	44.3	45.2	1284.0	43.0	45.4	40.8	41.6	44.1	55.1	4.1	5.2	3.0	6.2	2.5			
Quarter III 2015	1349.2	45.2	48.2	42.4	45.5	44.9	1305.2	43.7	46.4	41.3	43.2	44.1	44.0	3.3	3.9	2.6	5.0	1.8			
Quarter IV 2015	1222.3	40.9	43.2	38.9	46.0	36.9	1171.1	39.2	41.1	37.5	43.4	35.8	51.2	4.2	4.8	3.6	5.6	2.8			
Quarter I 2016	1198.1	40.1	43.1	37.5	44.9	36.3	1123.7	37.6	39.5	35.9	41.1	34.8	74.4	6.2	8.3	4.0	8.4	4.0			
Quarter II 2016	1362.9	45.7	48.3	43.3	45.3	46.0	1307.9	43.8	45.6	42.2	42.2	45.1	55.0	4.0	5.6	2.5	6.8	1.9			
Quarter III 2016	1337.0	44.8	50.3	49.7	45.1	44.5	1298.3	43.5	50.0	50.0	44.1	55.9	38.7	2.9	3.4	2.4	4.3	1.8			
Quarter IV 2016	1193.3	40.0	42.7	37.5	44.6	36.3	1148.3	38.5	40.6	36.5	42.6	35.2	44.9	3.8	4.8	2.7	4.5	3.1			

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

Period	Labor remuneration							
	Average nominal monthly salary - Total				Index of nominal monthly salary (comparative to previous year), %			Index of real monthly salary (comparative to previous year), %
	MDL	USD	EUR		MDL	USD	EUR	
January 2015	4260.6	256.5	219.1		112.8	89.4	104.1	107.7
February 2015	4241.2	225.2	198.1		114.1	81.7	98.0	107.1
March 2015	4397.3	236.0	217.1		112.4	81.5	103.6	104.9
April 2015	4526.5	251.3	233.2		112.9	84.2	108.0	104.9
May 2015	4524.0	252.0	225.7		112.2	85.5	105.3	103.8
June 2015	4732.7	256.7	228.6		112.6	85.0	102.9	104.0
July 2015	4882.6	257.4	233.8		112.8	83.4	102.6	103.9
August 2015	4669.1	245.8	220.4		109.2	79.5	95.0	97.3
September 2015	4694.9	239.0	212.6		110.0	80.2	92.2	97.7
October 2015	4564.9	229.2	203.8		105.9	78.0	88.0	93.6
November 2015	4613.4	230.7	214.5		105.9	79.2	91.9	93.3
December 2015	5227.7	263.6	243.0		107.4	83.6	95.0	94.5
January 2016	4665.8	229.7	211.4		109.5	89.6	96.5	96.6
February 2016	4650.6	231.5	208.3		109.7	102.8	105.1	99.5
March 2016	4749.7	239.7	216.1		108.0	101.6	99.5	98.7
April 2016	4909.6	249.10	219.8		108.5	99.10	94.3	100.2
May 2016	4863.9	244.9	216.5		107.5	97.2	95.9	99.6
June 2016	5169.7	260.9	232.4		109.2	101.6	101.7	101.7
July 2016	5274.0	266.2	240.3		108.0	103.6	102.8	100.9
August 2016	5242.8	265.2	236.4		112.3	107.9	107.2	108.4
September 2016	5170.6	261.3	232.9		110.1	109.3	105.9	106.9
October 2016	5109.2	261.7	237.0		111.9	114.2	116.3	109.2
November 2016	5204.4	254.6	235.5		112.8	110.4	109.7	109.9
December 2016	6003.7	297.8	282.3		114.8	113.0	116.2	112.1

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

Remuneration of labor in economic activities																		
Economic activities	Other service activities																	
	Art, recreation and leisure activities		Health and social care		Education		Public administration and defense; mandatory social insurance		Activities of administrative and support services		Professional, scientific and technical activities		Real estate transactions		Financial and insurance activities		Information and communication	
January	4260.6	2602.0	4514.4	3442.4	4085.4	7215.1	4447.5	3950.8	3552.4	4130.6	2827.6	8533.6	7683.3	4014.8	5735.9	3634.2	5460.4	
February	4241.2	2576.2	4445.4	4002.3	4012.3	7353.5	4075.4	4011.3	3559.2	3940.4	2781.9	8889.3	7305.5	3942.7	5790.8	3291.5	5568.9	
March	4397.3	2834.8	4707.1	4549.3	4220.2	7803.3	4574.6	4229.2	3657.1	4113.4	2904.1	9650.7	8825.2	4028.8	6064.7	3534.9	5792.4	
April	4526.5	2815.9	4994.9	4538.9	4307.0	9134.2	5307.9	4369.0	3797.5	4406.4	2851.2	10443.5	9595.3	4257.0	5785.6	3531.6	5493.6	
May	4524.0	2900.1	4845.4	4550.4	4417.7	7672.0	4689.9	4581.7	3826.5	4566.5	2970.3	9400.4	8092.1	4259.6	6248.4	3641.5	5503.1	
June	4732.7	2936.6	4936.5	4752.5	4515.4	7771.4	4751.2	4687.3	3974.5	4369.3	3081.0	9611.4	8471.0	4119.4	6558.3	3715.0	5997.0	
July	4882.6	3233.9	5076.0	4995.4	4668.0	7768.0	4969.9	4762.1	4054.1	4541.4	3219.2	9640.5	10121.3	4316.4	6854.3	3739.9	6604.3	
August	4669.1	2878.7	5027.4	4683.8	4614.7	7806.1	4912.4	4690.4	3977.6	4615.6	3181.1	9392.6	8235.3	4112.6	6442.1	3816.8	5841.1	
September	4694.9	3484.0	5150.1	4638.6	4554.3	9366.0	4811.5	4781.2	4034.8	4596.3	3204.1	12024.8	8005.3	4195.9	6449.9	3729.6	5347.9	
October	4564.9	3395.4	4942.8	4761.8	4013.8	4485.7	3220.2	9725.0	8736.8	4231.5	6362.7	3773.5	5324.0	3648.5	4250.2	2918.1	7143.9	
November	4613.4	3363.1	5007.2	4637.6	3937.5	4271.0	3131.7	9553.1	8246.3	4247.8	6661.0	3635.6	5771.7	3735.3	4404.6	3107.2	7141.6	
December	5227.7	3713.0	5884.1	5145.5	4453.4	4907.6	3290.8	10429.6	10685.4	4922.9	7102.4	4039.9	6279.6	3878.5	5518.1	3118.6	8574.9	
2015	4610.9	3072.3	4962.8	4559.0	3903.2	4411.3	3055.6	9770.7	8659.6	4218.7	6320.2	3669.7	5749.2	3813.6	4430.2	3015.8	6965.4	
January	4665.8	2677.1	4837.7	4423.8	4221.7	4372.5	3194.0	9534.2	9040.2	4290.3	6349.3	3790.8	6126.9	3708.5	4354.4	3109.9	8351.3	
February	4650.6	2861.0	4843.2	4539.2	4171.1	4303.8	3193.0	9928.7	8723.3	4370.7	6497.7	3756.7	6143.5	3789.3	4097.6	3147.8	8513.1	
March	4749.7	3003.2	4982.5	4648.6	4284.5	4399.2	3317.0	12310.5	10503.5	4384.4	6803.8	4034.6	5593.3	3686.0	4207.1	2948.7	8911.4	
April	4909.6	3096.1	5290.6	4712.5	4394.5	4557.8	3361.3	11153.8	11206.1	4684.5	6646.1	3891.4	6067.9	3715.8	4672.7	2984.7	8484.0	
May	4863.9	3040.6	5159.1	4841.4	4483.4	4790.6	3420.8	10869.0	9136.3	4739.2	6552.9	4110.8	5771.0	3908.7	4492.4	3062.0	8404.5	
June	5169.7	3122.1	5272.1	4995.4	4607.0	4695.7	3542.7	10933.8	9828.6	4875.5	6959.8	4074.6	6683.2	4438.3	4903.5	3257.6	9434.2	
July	5272.0	3567.7	5466.3	5132.4	4604.6	4772.6	3591.4	10800.3	10025.2	4967.0	7045.1	4215.2	6785.3	4279.0	5460.3	3221.9	9082.8	
August	5242.8	3283.0	5608.1	5339.3	4739.9	5224.5	3607.8	10593.0	9714.1	4799.1	6649.9	4335.0	6310.2	4354.8	5093.8	2920.8	9136.6	
September	5170.6	3745.3	5455.6	5344.5	4716.6	5014.4	3585.0	12900.0	9259.6	4803.0	6616.8	4292.0	5733.0	4115.0	4909.5	3140.9	9301.8	
October	5109.2	3474.4	5370.4	5351.0	4627.9	4864.0	3565.5	10882.5	9783.2	4938.1	6770.2	4295.0	5685.9	3977.3	5499.4	3107.2	9053.7	
November	5204.4	3672.7	5468.4	5413.8	4645.6	4682.0	3450.2	10481.0	10336.0	4921.6	7127.9	4380.4	5975.4	4156.7	5353.8	3304.2	9530.1	
December	6003.7	4154.0	6446.6	5762.3	5209.7	5316.3	3657.5	11962.2	16536.4	5599.0	7673.1	4585.8	6859.3	4125.0	7061.8	3399.0	10678.5	
2016	5084.0	3321.4	5353.7	5064.5	4558.0	4746.3	3454.8	11027.5	10338.9	4779.6	6806.8	4144.3	6144.2	4017.7	5010.0	3130.1	9081.0	

Source: According to the National Bureau of Statistics data.

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

Period	Household disposable revenues						
	Household disposable revenues, MDL	Structure of household disposable revenues, %					Other sources
		Employment activity	Individual agricultural activity	Individual non-agricultural activity	Property	Social benefits	
2012	1508.8	42.7	9.6	7.2	0.2	19.2	21.2
2013	1681.4	41.6	9.1	6.9	0.2	19.9	22.3
2014	1767.5	41.6	9.5	6.6	0.1	20.2	21.9
2015	1956.6	41.4	9.0	6.9	0.2	20.9	21.6
2016	2060.1	42.1	8.3	6.6	0.2	22.1	20.8
Quarter I 2014	1650.0	42.6	10.1	5.9	0.1	20.0	21.2
Quarter II 2014	1756.1	43.0	10.4	5.6	0.0	18.8	22.2
Quarter III 2014	1787.4	40.7	9.0	6.6	0.1	21.4	22.3
Quarter IV 2014	1877.8	40.1	8.8	8.1	0.2	20.7	22.0
Quarter I 2015	1854.0	40.2	9.6	5.3	0.2	21.3	23.3
Quarter II 2015	1997.2	43.5	9.3	6.6	0.1	19.9	20.6
Quarter III 2015	1978.3	39.9	8.5	7.5	0.2	21.2	22.4
Quarter IV 2015	1999.4	41.7	8.9	8.2	0.2	20.9	20.1
Quarter I 2016	2026.8	42.5	8.7	6.2	0.2	19.5	23.0
Quarter II 2016	2030.4	41.1	9.1	6.7	0.0	21.4	21.7
Quarter III 2016	2080.5	41.6	7.6	7.0	0.1	24.3	19.4
Quarter IV 2016	2105.2	42.9	8.0	6.6	0.3	23.2	19.1

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

Household consumer expenditures		Structure of household consumer expenditures, %												
Period	Household consumer expenditures, MDL	Structure of household consumer expenditures, %												
		Food products	alcoholic beverages, tobacco	clothing and footwear	household and maintenance	endowment house	health	transport	services and communication	recreation	Education	hotel, restaurant, cafes	other goods and services	
2012	1598.6	43.2	1.7	10.6	18.5	3.5	5.6	4.2	4.4	1.4	1.0	1.7	4.1	
2013	1775.8	42.8	1.5	10.3	19.2	3.6	5.7	4.7	4.2	1.5	0.8	1.5	4.0	
2014	1816.7	43.8	1.3	10.6	18.9	3.5	5.6	4.4	4.3	1.3	0.7	1.5	4.0	
2015	2048.5	42.1	1.4	11.2	17.9	3.9	6.5	4.5	4.3	1.4	0.6	1.7	4.4	
2016	2116.8	42.6	1.5	10.5	17.8	4.0	6.4	4.7	4.7	1.3	0.7	1.5	4.4	
Quarter I 2014	1733.7	43.9	1.2	10.4	18.6	3.2	6.6	4.4	4.5	1.2	0.6	1.2	4.1	
Quarter II 2014	1807.9	44.9	1.4	10.3	18.3	3.2	5.5	4.4	4.5	0.9	0.9	1.6	4.1	
Quarter III 2014	1832.0	43.6	1.2	10.7	19.9	3.8	5.3	4.1	4.2	1.2	0.7	1.5	3.8	
Quarter IV 2014	1893.7	42.9	1.5	11.1	18.7	3.9	5.2	4.4	4.2	1.7	0.7	1.5	4.1	
Quarter I 2015	1913.3	41.5	1.4	10.9	17.1	3.5	7.7	4.9	4.4	1.6	0.6	1.7	4.8	
Quarter II 2015	2075.9	41.9	1.4	11.0	17.9	4.0	6.3	4.7	4.5	1.1	0.6	2.0	4.5	
Quarter III 2015	2132.7	41.5	1.4	11.8	18.9	4.1	6.2	4.0	4.1	1.5	0.7	1.4	4.3	
Quarter IV 2015	2072.9	43.3	1.5	11.0	17.6	4.1	5.9	4.6	4.2	1.2	0.7	1.8	4.1	
Quarter I 2016	2058.5	42.0	1.4	9.7	17.5	3.6	6.3	7.3	4.3	1.2	0.6	1.1	5.0	
Quarter II 2016	2079.6	43.3	1.5	10.7	18.5	3.8	5.8	4.1	4.4	1.1	0.8	1.5	4.5	
Quarter III 2016	2199.7	41.3	1.7	10.8	18.0	4.1	7.4	4.3	4.3	1.7	0.7	1.6	4.1	
Quarter IV 2016	2129.8	43.9	1.4	10.8	17.3	4.4	5.9	3.3	5.6	1.1	0.6	1.6	4.1	

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

Period	Crimes																						
	Recorded crimes – total, (cases)			Crimes against life and health of the person (cases)		Crimes on sexual life (cases)		Crimes against property (cases)							Crimes against public health and social coexistence (cases)		Crimes against family and minors (cases)		Economic crimes (cases)			Crimes against public security and public order (cases)	
	Total	Murder	Premeditated severe injuries	Total	Rape	Total	Theft	Brigandage	Robbery	Fraud	Pocket-picking	Blackmail	Total	Drug related crimes	Total	Total	Trafficking in children	Total	Contraband	Manufacture of counterfeit currency	Total	Hooliganism	
202012	36615	1755	223	325	617	360	18751	14294	167	1175	1651	540	64	1785	1575	953	20	1928	163	1156	1514	1284	
202013	38157	1647	215	324	608	349	20391	15378	146	1144	2065	741	88	1305	1166	1474	20	1002	151	344	1625	1444	
202014	41786	1542	172	320	647	352	21875	16729	125	1127	2068	836	77	1439	1288	2423	24	1305	216	286	1804	1614	
202015	39782	1389	177	252	639	303	20588	15363	113	994	2077	1011	67	1362	1191	2058	38	1429	229	433	1752	1491	
202016	41921	1505	189	250	642	341	22440	18238	128	1082	2390	1598	92	1330	1153	1836	28	1132	240	216	1954	1699	
Quarter I 2014	8940	336	42	67	156	91	4489	3350	28	245	467	173	25	316	276	492	6	319	54	46	389	352	
Quarter II 2014	18138	769	115	140	306	172	10012	7563	84	550	1007	378	41	575	503	663	14	501	73	188	786	694	
Quarter III 2014	30328	1116	129	223	497	279	15620	11828	83	840	1577	571	55	1093	979	1810	14	930	156	176	1296	1163	
Quarter IV 2014	41786	1542	172	320	647	352	21875	16729	125	1127	2068	836	77	1439	1288	2423	24	1305	216	286	1804	1614	
Quarter I 2015	8875	276	39	63	130	63	4601	3339	40	239	439	264	12	332	299	529	5	324	47	104	421	358	
Quarter II 2015	18696	599	74	118	286	139	9615	7143	72	462	919	514	23	716	632	1039	19	713	97	259	847	722	
Quarter III 2015	28583	950	118	171	478	224	14462	10793	87	714	1429	704	47	1079	955	1563	30	1012	145	333	1289	1100	
Quarter IV 2015	39782	1389	177	252	639	303	20588	15363	113	994	2077	1011	67	1362	1191	2058	38	1429	229	433	1752	1491	
Quarter I 2016	9808	351	46	68	141	65	5338	3916	43	247	546	365	23	285	244	466	5	247	47	47	426	366	
Quarter II 2016	20588	724	88	127	316	170	11147	8149	66	485	1193	771	47	597	508	1065	14	560	120	105	925	797	
Quarter III 2016	30719	1088	140	181	480	264	16381	11942	93	792	1707	1096	72	1001	880	1581	23	810	150	144	1436	1245	
Quarter IV 2016	41921	1505	189	250	642	341	22440	18238	128	1082	2390	1598	92	1330	1153	1836	28	1132	240	216	1954	1699	

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