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GENERAL DATA

Official name	REPUBLIC OF MOLDOVA
Capital	Chisinau
President	Igor Dodon
President of the Parliament	Adrian Candu
Prime Minister	Pavel Filip
Parliament of the Republic of Moldova	101 deputies: Democratic Party of the Republic of Moldova – 41, Socialist Party of the Republic of Moldova – 24, Liberal Party – 10, European People's Parliamentary Group – 10, Communist Party of the Republic of Moldova – 6, Liberal Democratic Party of Moldova – 5, Unaffiliated deputies – 5.
Independence was obtained on	August 27, 1991
Area	33.8 thousand km²
Administrative units	32 districts, 5 municipalities (Chisinau, Balti, Bender, Comrat, Tiraspol), ATU Gagauzia, Administrative-Territorial Units from the left of the Dniester
Resident Population	3550.9 thousand inhabitants (beginning of 2017)
Main religions	Orthodox (93.34%), Protestant (1.98%), Old-Rite Christians (0.15%), Catholic (0.14%), etc.
National currency	Moldovan leu (average exchange rate, quarter III, 2017: 1 USD = 17.9 MDL; 1 EUR = 21.0 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

Quarter II of 2017 was marked by several important events of political, economic and social nature.

July 3

National Bank of Moldova signed the Memorandum of Understanding with Black Sea Trade and Development Bank within the regional business forum „Moldova-Working Together to Support Growth”, held in Chisinau on the occasion of the Annual Meeting of the Board of Governors of Black Sea Trade and Development Bank. The document provides the formation of the necessary framework in order to simplify the collaboration between parts and to develop the technical assistance in the banking sector.

July 4

The European Parliament has approved the macro-financial assistance of 100 mln.EUR for the Republic of Moldova, of which 40 mln. EUR as a grant and 60 mln.EUR – as a loan during the Brussels meeting.

July 6

The Government of Poland will support the development of cities of the Republic of Moldova through a project of increasing the attributions of local public authorities in the urban development and revitalising launched by the Ministry of Regional Development and Constructions. The project will take place during 2017-2019, in three stages: creating working groups; training; writing projects and taking part in the competition to get funding from Poland.

July 10

Minister of Foreign Affairs and European Integration, Andrei Galbur and Minister of Foreign Affairs and International Cooperation of United Arab Emirates, the Sheik Abdullah Bin Zayed Al Nahyan have signed two bilateral Agreements on mutual promotion and protection of investment and avoidance of double taxation and prevention of tax evasion on income and property taxes. The new legal framework will provide new mutual investment opportunities. The officials have discussed the re-launch of direct flights as well as the investment potential in the Republic of Moldova in the aviation, agriculture, energy infrastructure development.

July 13

Law on banks' activity has been voted in Parliament at first reading. This is a project for modernizing regulatory and supervisory standards in the banking system. The project provides for the creation of a robust framework of corporate governance in banks, introduction of new risk assessment requirements, development of supervisory tools. The draft law sets the transition to Basel III principles through EU legislation, being developed with EU funding in Twinning project.

July 17

The start-up of joint Moldovan-Ukrainian control at the state border crossing „Cuciurgan-Pervomaisc”, with the Prime-Minister of the Republic of Moldova, Pavel Filip and the President of Ukraine, Petro Poroshenko took place. The joint control in this border crossing is made under

the intergovernmental Agreement on organization of joint control and interdepartmental Protocol.

July 19

In today's meeting, the Executive has approved a decision on the initiation of negotiations and the approval of signing the Consulting Agreement between the Government of the Republic of Moldova represented by the Ministry of Economy and International Finance Corporation (IFC). According to this Agreement, the Republic of Moldova will receive technical assistance in the amount of 3.2 mln. USD to increase the investment and promote the exports. The Agreement will become effective after its ratification by the Parliament.

July 26

The Cabinet of Ministers has approved the Medium-Term Budgetary Framework (MTBF) for 2018-2020, an important document aimed to provide stability, predictability and continuity for the government funded policies. The document takes into account target indicators and commitments in Memorandum with IMF and other development partners.

July 28

World Bank has approved the Partnership Framework with the Republic of Moldova for 2018-2021. This Partnership will be based on three main directions: „Economic Governance”, „Service Governance” and „Competence Development”. The new strategy will provide assistance for the Republic of Moldova in transition to a new more sustainable and inclusive model of economic growth.

August 2

The Cabinet of Ministers has approved the signing of the Agreement between the Government of the Republic of Moldova and the Government of Hungary on mutual cooperation and assistance in case of exceptional situations. The Agreement aimed to increase the security level of population and safety degree of country against the natural and tehnogenic disasters regulates the conditions of mutual collaboration and assistance in prevention and response in exceptional situations.

August 17

Small and Medium Enterprises Development Organisation (SMEDO) has launched a new Business Incubator in Cahul which will create over 60 jobs due to the support granted by the European Union. The aim of Incubator is to support start-up entrepreneurs in the region. Thus, the incubated companies for a 3 years period will be provided with a lower price for production halls and offices rental, free consultancy and entrepreneurial training, as well as with the support in developing business partnerships.

August 22

The Memorandum of Understanding between the National Bank of Moldova and Bank of Lithuania has been signed during the working visit of the NBM delegation to Vilnius. The document provides for the creation of a comprehensive framework of cooperation and exchange of information between the institutions. The NBM intends to benefit especially by the experience and technical assistance of fellows from Lithuania.

August 28

The Executive Board of the National Bank of Moldova has adopted the decrease of the base rate applied on the main short-term monetary policy operations by 0.5 percentage points, from 8.0%

to 7.5% annually, as well as the interest rates on overnight loans by 0.5 percentage points from 11.0% to 10.5% annually and interest rate on overnight deposits by 0.5 percentage points, from 5.0% to 4.5% annually. At the same time, it was decided to maintain the required reserves ratio from means attracted in Moldovan lei and non-convertible currency at the actual level of 40.0% of the computation base and required reserves ratio from means attracted in freely convertible currency at the actual level of 14.0% of the computation base.

September 13

The Government decided to initiate the negotiations and to approve the signing of the second Amendment to the Assistance Agreement on the development goal between the Government of the Republic of Moldova and the Government of the United States of America in order to increase the trade and investment in key sectors, signed at Chisinau in 2016. The Amendment provides to increase the value of the Assistance Agreement by 2.28 mln. USD, the total amount of funds being 13.15 mln. USD. The additional funds will be directed towards the activities of the new project on „Structural Reforms in Moldova”, so that to improve the business environment by implementing reforms in business and tax sectors.

September 13

The Cabinet of Ministers has approved the Individual Partnership Action Plan (IPAP) the Republic of Moldova – North Atlantic Treaty Organization (NATO) for 2017-2019, where the main fields and joint goals of cooperations are stipulated. Thus, the main planned actions include: reforming and modernizing security sector, developing armed forces, facing new threats on security and promoting public diplomacy. Another provision of the document is opening the NATO Liaison Office in the country.

September 15

The President of Moldova, Igor Dodon signed the decree on the initiation of negotiation on the Free Trade Agreement draft between the Republic of Moldova and People’s Republic of China.

September 19

The Cabinet of Ministers has approved the ratification of a consultancy agreement between the Republic of Moldova and International Finance Corporation aimed to improve the business environment in agricultural industry. The document states that IFC will provide consulting services in three main fields to our country: improving business environment; enhancing market access, focusing on agro-industrial sector; increasing level of investment protection. The IFC will provide a technical assistance of 3.2 mln. USD to Moldova while the Government’s contribution will amount to 160 thousand USD and that of Ministry of Economy and Infrastructure will be 100 thousand USD according to the agreement.

September 20

The Republic of Moldova along with other 57 countries joined a new international structure – Alliance “For Torture-Free Trade”. The creation of the Alliance was announced on the eve of UN General Assembly session at New York and aims to unite the efforts to stop the trade in goods used for tortures and death penalty. The countries participating in the Alliance will sign a joint political declaration based on four commitments: implementing measures to restrict the exports in goods for torture and death penalty; assistance from countries participating in the creation of a platform for cross-border exchange of information; sharing best practices; providing technical assistance.

September 25

Romania transferred to Moldova the third (final) tranche of about 40 mln. EUR of the loan provided under the Agreement on refundable financial assistance between the Republic of Moldova and Romania ratified in October 2015. The refundable financial assistance will be used to fund expenditure programs provided in the State Budget Law for 2017.

September 27

The Cabinet of Ministers decided to grant over 9.5 mln. MDL of the Government Intervention Fund to liquidate the consequences of natural disasters from April-June, this year. Cimisia, Drochia and Ungheni districts and central public authorities- Ministry of Internal Affairs and Ministry of Defense will take advantage of financial means.

September 27

The Government has approved the Action Plan on reducing risks in money laundering and terrorism funding for 2017-2019. Among the main suggested measures are: improving legal framework, identifying and reducing sectoral risks, carrying on measures to identify the effective beneficiary, improving supervision, reducing cash transaction.

September 27

The Executive Board of the National Bank of Moldova has adopted the maintenance of the base rate applied on the main short-term monetary policy operations at the actual level of 7.5% annually. The interest rates on overnight loans are maintained at the actual level of 10.5% annually and on overnight deposits at the current level of 4.5% annually. At the same time, it was decided to maintain the required reserves ratio from means attracted in Moldovan lei and non-convertible currency at the actual level of 40.0% of the computation base and required reserves ratio from means attracted in freely convertible currency at the actual level of 14.0% of the computation base.

September 27

The World Economic Forum compiled the Global Competitiveness Report 2017-2018. According to this survey, the Republic of Moldova advanced 11 positions in the global competitiveness ranking and ranked number 89 of 137. The position of the Republic of Moldova increased due especially to the improvement of macroeconomic situation and components related to the quality of state institution activity, efficiency of public policies and regulatory framework.

September 28

The Government of the Republic of Moldova has approved the draft of the Agreement with the European Union on macro-financial assistance to the tune of 100 mln. EUR, of which 60 mln. EUR will be preferential loans and 40 mln. EUR allocated as a grant. These funds will be granted in three tranches regarding the progress in implementing the IMF program and meeting the conditions stipulated with the EU.

EDITION SUMMARY

Production

In the first nine months of 2017, *the gross domestic product of national economy marked a growth (in real terms) of 3.8%* compared to the same period of the previous year.

The most significant influence to GDP growth have had the following activities: wholesale and retail trade – by 1.4%; agriculture, forestry and fishing – by 0.4%; mining industry and manufacturing industry; production and supply of electricity, heat energy, gas, hot water and conditioned air; water distribution; sanitation, waste management, decontamination activities – by 0.3%; constructions – by 0.2 %,

Industrial sectors which generated the highest contribution to the increase of industrial production were: manufacture of electrical equipments (+30.9%), manufacture of rubber products and plastics (+20.1), other industrial activities n.c.a. (16.4%) and wood processing, manufacture of wood and cork products (+13%), etc.

In the first nine months of 2017, *agricultural production* in all types of households was up by 3.7% compared to the same period of the previous year due exclusively to the increase of vegetable production by 6.3% and reduction of livestock production by 1.5%.

The railway, road, fluvial and air transport enterprises have transported a volume of 11.9 mln. tonnes commodities, by 21.8% more sply. During the same period, there was made a mileage of commodities by 14.4% more compared to the same period of the previous year. The number of transported passengers has decreased by 2.4% during this period.

The volume of investment in fixed assets in national economy amounted to 11113.4 mln. MDL, their volume growing by 2.4% (in comparable prices) sply. During the analyzed period in the structure of investment by types of tangible assets, the highest weight belongs to transmission machinery, equipments and installations (35.4%) as in the previous year.

Prices and exchange rates

Since the beginning of this year, the annual inflation rate has continued its growing trend given that CPI accounting for 6.3% in the first nine months of 2017, representing a decline of 1.6 p.p. against the value registered in the similar period of the previous year. During the same period, there were recorded the following increases for the CPI components: food products – 7.3%, non-food products – 4.7%, services – 6.7%.

Since the beginning of 2017 core inflation registers a deceleration compared to CPI dynamics. During July-September 2017, the core inflation index amounted to 4.9% sply, decreasing by 2.7 p.p. compared to the same period of 2016.

In quarter III, 2017 other price indices have also recorded uneven increases which had the following developments compared to the same period of the previous year:

- ✓ growth rate of annual industrial production price index increased by 0.3 p.p. compared to the same period of the previous year reaching 3.9%;
- ✓ growth rate of prices in construction sector decreased by 6.6 p.p. and amounted to 2.1% compared to the level recorded in the same period of the previous year;
- ✓ producer prices for agricultural products have increased by 1.2% compared to the same period of 2016;

- ✓ growth rate of fuel prices recorded a value of 7.8% sply, which is an increase of 11.1 p.p. of this indicator sply.

In quarter III, 2017 the *average nominal exchange rate* in relation to the major reference currencies was 21.0 MDL/EUR and 17.9 MDL/USD, appreciating by 4.9% compared to the similar period of the previous year against the single European currency and by 9.5% against US Dollar. In real terms, during this period Moldovan leu has appreciated by 14.2% against USD (compared to the same period of the last year) and by 10.1% in relation to Euro sply.

Monetary policy

In quarter III, 2017 following the NBM decision at the meeting of June 28, 2017, the *base rate* reduced from 9% to 8% declining by about 2 p.p. compared to the level from the same period of the last year. On the same lines, there have also been amended the interest rate on overnight loans which declined to 11%, and interest rate on overnight deposits up to 5%. By the end of 2017, the NBM operated new decrements of monetary policy rates reducing them in several stages by 1.5 p.p. respectively.

Reserve requirements ratio. In quarter III of this year, the NBM maintained the reserve requirement ratio from means attracted in Moldovan lei and non-convertible currency unchanged at the level of 40% of computation base. Reserve requirement ratio from means attracted in convertible currencies remained unchanged at the level of 14%. The high value of reserve requirement ratio from means attracted in Moldovan lei reflects on economy by maintaining a low level of lending in the real sector.

Stock of official reserve assets at the end of quarter III of 2017 increased by 423.5 mln. USD since the beginning of this year and continues to rise. The stock of official reserve assets at the end of quarter III, 2017 amounted to 2.63 bln. USD, rising by 22.5% sply.

Money supply in quarter III, 2017 maintains its growth rate compared to the previous quarter of this year, up by about 2 p.p. sply. The components of monetary aggregate M1, especially demand deposits in national currency have had the main contribution to the increase of money supply.

Public finances

National public budget revenues in quarter III of 2017 were up by 18.3%. The state budget receipts with a considerable weight of 63.54% followed by the social insurance budget with 22.19%, with a lower weight of receipts – local budgets with 7.37% have contributed to the formation of the public budget resources, and the lowest contribution had the MHIF with 6.90%.

During this period the value of revenues from taxes and duties recorded 25336.7 mln.MDL, up by 19.84% or by 4194.1 mln. MDL compared to the previous year. At the same time there was registered a decrease of – 81.2 mln. MDL or 32.19% of revenues from grants. The highest contribution to the formation of the NPB revenues have had the taxes on goods and services with 47.3%, (or 71.7% of total tax revenues), of which VAT accumulated 32.45% of total NPB revenues and excise duties -11.3%, the highest part, about 96%, belonging to excise duties on imported goods. We mention that the low weight of income taxes compared to the taxes and duties on goods and services let us to say that the economy of the Republic of Moldova still bases on the model of consumer economy with a view to the import of goods and services.

In 9 months of 2017 the *national public budget expenditures* amounted to 25 010.7 mln. lei, increasing by 3302.2 mln. MDL or by 15.2% compared to the same period of the previous year. As a weight in GDP, these increased by 1.4 p.p. from 16.1% of GDP in quarter III, 2016 to 17.5% of GDP in quarter III, 2017. The major weight in total expenditures are those made to fund social field – 68.86%, including social protection – 37.9%, health care – 13.51%, education – 17.45% and the lowest expenditures, under 1% are funds of environmental protection activities.

In 9 months of 2017, the national public budget execution has resulted in a **surplus budget balance of 1162.1 mln. MDL** given that for 2017 there was set a budget deficit target of 3.0% of PIB. It is for the first time in the last 6 years when the budget balance exceeds. This surplus has been formed from the faster accumulation of budget revenues compared to the growth rate of budget expenditures.

At the end of September 2017, the fund balances in the national public budget account have increased by 3250.0 mln. MDL and amounted to 8026.3 mln. MDL, including 904.4 mln. MDL – of projects funded from external sources compared to the beginning of the year.

On September 30, 2017, the **public debt balance** amounted to 51209.2 mln. MDL, increasing by 423.4 mln. MDL or by 0.8 percent compared to the end of 2016, being especially influenced by the internal public debt balance by 392.3 mln. MDL and external public debt by 31.1 mln. MDL, respectively. According to the data on GDP forecast for 2017, **the weight of public debt in GDP** on September 30, 2017 amounted to 34.4%, recording a decline of 3.2 p.p. compared to the end of 2016.

Banking sector

The major problem of the banking sector activity during quarter III of 2017 is the decrease in the value of gross loan portfolio granted by the commercial banks which registered a depreciation of 2.64 percent or 919.4 mln. MDL. The decline in the pace of lending was not associated with the decrease of the level of portfolio risk. Thus, in 9 months of 2017, the value of non-performing loans amounted to 5900.1 mln. MDL, up by 230.3 mln. MDL or 4.06% against December 31, 2016. *At the same time, there is observed the migration of loans from legal entities to individuals and from foreign in national currency due to the appreciation of Moldovan leu and to the increase in the demand for consumer loans against the business finance loans.*

During the 9 months of 2017, the banking sector assets continued to rise, the banks maintaining the capital, liquidity and profitability at a high level. At the same time, the non-performing loans recorded a slight increase. There is also maintained the decreasing trend of lending. The rise in the value of assets was regrettably due especially to the increase of liquidities. Thus, the weight of liquid assets in total assets (liquidity principle II) registers 53.20%, more by 4.0 p.p. compared to December 31, 2016 and by about 2.5 times higher than the minimum requirement set by the NBM. The continuous increase of liquidities in the banking system is the result of tightening the monetary policy promoted by the NBM which aims to sterilize the excess of money supply in order to maintain the inflation target however it affects the ability of banks to lend. *Consequently we state an excessive increase of bank liquidities as well as a migration of a part of loan assets to low-risk liquid assets and acceptable profitability, such as the state securities.*

Problems of the banking system, previously identified are reflected by the financial result made by banks in quarter III, 2017. In September 2017, the banks' profit in the entire banking system amounted to 1417 mln. MDL, up by 51.4 mln. MDL or 3.8% compared to the same period of the previous year. The increase in profit is due to the decrease in interest expenditures (deposits) by 39.9 percent, decline of depreciation on financial assets by 76.6 percent and growth of non-interest revenues by 5.4 percent (mostly from duties and commissions by 11.8 percent). There is also seen an increase in the revenues of the banks main activity, the ratio between the net interest revenue and total revenues reaching from 37.84% at the beginning of this year to 40.6% on September 30, 2017. However, the increase in the weight of interest revenues in total revenues was not determined *by the rise in receipts from holding the state securities up to maturity*, and not from increase of receipts from loans.

The priorities of the Moldovan banking sector remain to ensure the transparency in shareholders' structure and to improve enforcement of the prudential supervision norm by domestic banks. The largest commercial banks of the Republic of Moldova remain under

intensive supervision by 3 more months and on July 1, 2017 when the deadline for sale of equity stake of 41.09% of B.C. „Moldova-Agroindbank” S.A. fell in, the NCFM has extended it for another 6 months because there was not found yet any buyer.

External sector

Balance of payments. During January-September 2017, the current account of the balance of payments was increasing by 87.7% compared to the same period of the previous year. The current account of the balance of payments has registered a deficit of 532.56 mln.USD.

International investment position of the Republic of Moldova continued its trend from the previous period. In quarter III 2017, the international investment position was up and amounted to 4201.41 mln. USD.

Volume of remittances from abroad during January-September was increasing by 9.5% compared to the same period of the last year. The volume of remittances from abroad amounted to 870 mln. USD.

External trade in goods during January-September 2017 rose by 17.6%, compared to the similar period of the previous year and amounted to 5090.5 mln. USD. The export of goods have increased by 15.3%, and imports – by 19.4%.

During January-September 2017, the considerable gap in the development of exports and imports led to the formation of a **deficit of the balance of trade** in the amount of 1787.0 mln.USD, by 324.5 mln.USD (22.2%) higher compared to the same period of 2016.

Business environment

According to the Global Competitiveness Report, during 2017-2018 the Republic of Moldova ranked number 89 of 137 countries. Our country advanced 11 positions compared to the previous year, recording one of the biggest leaps in recent years. It has to be mentioned that this improvement in the ranking took place after a considerable drop (the situation is going to get worse) of 16 position of the Republic of Moldova in the previous period: 2016-2017 against 2015-2016.

In the Global Competitiveness Report 2017-2018, the Republic of Moldova recorded higher positions in: *Technological readiness* (53rd position), *Higher Education and Training* (83rd position), *Macroeconomic environment* (81st position).

During 2017-2018, as in the previous years the Republic of Moldova has registered the lowest positions in the following indicators: *Innovation* (128th position), *Financial Market Development* (124th position), *Institutions* (119th position), *Business sophistication* (120th position) and *Market Size* (120th position).

Social sector

Demographic situation. In quarter III of 2017, according to the data of the NBS, the total number of live births in the country amounted to 26049 pers., down by 7.8% compared to the same period of the previous year, the birth rate amounted to 9.8 live births per 1000 inhabitants decreasing by 0.8 p.p. compared to s.p.l.y. The number of deaths accounted for 27585 pers., declining by 3.6% compared to s.p.l.y. and mortality rate reached 10.4 deaths per 1000 inhabitants, down by 0.4 p.p. compared to s.p.l.y. The number of deaths of children aged under 1 year in the third quarter of 2017 equated to 251 cases and reduced by 5 cases compared to the similar period of the last year. The natural decrease in Q III, 2017 numbered -1536 persons (-362 persons in the same quarter of the previous year) or -0.6 persons per 1000 inhabitants (-0.2 persons per 1000 inhabitants in the same quarter of the previous year). The natural

decrease in quarter III, 2017 has accentuated and became the most pronounced in the last 7 years (in Q III). The total number of *marriages* in the country, in Q III, 2017 amounted to 16366, declining by 3.0% against the same period of the last year and marriage rate equated to 6.1 marriages per 1000 inhabitants, reducing by 0.2 p.p. compared to s.p.l.y. In the case of divorces in the country, the indicator was 6978, decreasing by 12.3% compared to the same period of the last year. The divorce rate equated 2.6 divorces per 1000 inhabitants, by 0.4 p.p. less than in the s.p.l.y.

Labor market. In quarter III of 2017, *the economically active population* amounted to 1308.7 thousand pers., reducing by 2.1% or by 28.3 thousand persons as compared with the same quarter of the previous year. At the same time, *the activity rate* of population accounted for 43.9%, declining by 0.9 p.p. compared to s.p.l.y. *Employed population* was 1264.1 thousand persons in Q III of 2017, decreasing by 2.6% compared to s.p.l.y. *Employment rate* of population aged 15 and over reached 42.4%, declining slightly compared to the level of the same period of the last year (43.5%). *Number of unemployed*, according to the International Labour Office amounted to 44.6 thousand persons, by 15.2% higher than in the s.p.l.y. (38.7 thousand). *Unemployment rate* in the country in Q III, 2017 was 3.4%, increasing by only 0.5 p.p. compared to s.p.l.y. (2.9%). *Inactive population* in the country (aged 15 and over) in Q III of 2017 amounted to 1675.2 thousand persons being 56.1% of total population of this age, growing by 0.9 p.p. compared to s.p.l.y. *People who do not want to work* amount to 1308.0 thousand persons or 78.1% of inactive population (aged 15 and over). NEET group held a weight of 29.1% of population in the age group of 15-29 years.

Labor remuneration. Quarter III of 2017 is characterized by an increase of 11.1% of the average monthly nominal salary (5809.1 MDL) compared to the same quarter of the last year and the average monthly real one – by 3.4%. In the budgetary sector, the average monthly salary (4990.7 MDL) has increased by 10.4% compared to s.p.l.y., in a lower measure than the average monthly salary in the real sector (6132.2 MDL), which increased by 11.0% compared to s.p.l.y. The highest-paying economic activities are: Information and communications, Financial and Insurance activities and Production and supply of electricity, heat energy, gas, hot water and conditioned air.

Disposable revenues of population per month in quarter III, 2017 amounted to 2224.4 MDL on average per capita, up by 6.9% compared to s.p.l.y. In real terms, the revenues of population remained at the level of the similar period of the previous year. The most important sources of revenues remain to be: salaries (43.5%), social benefits (25.8%) and remittances from abroad (14.6 %).

Average monthly consumption expenditures of population in Q III, 2017 amounted to 2301.0 MDL per capita, increasing by 4.6% against Q III of 2016. In real terms adjusted to the consumer price index, the expenditures of population decreased by 2.6% compared to s.p.l.y. The highest part of expenditures continues to be directed towards: food consumption (43%), housing maintenance (19.8%) and clothing and footwear (10.8%).

Social protection of population. According to the data of the National Social Insurance House, the number of pensioners registered with the social protection bodies on October 1, 2017 amounted to 718.3 thousand persons or by 31.8 thousand persons more compared to October 1, 2016. The average amount of the monthly pension set on October 1, 2017 amounted to 1495.72 MDL, up by 17.1% compared to October 1, 2016.

Chapter I

PRODUCTION¹

Gross domestic product

During January-September 2017, the GDP amounted to 109444 mln. MDL in nominal value, at current market prices, increasing – in real terms – by 3.8%, compared to the same period of the previous year.

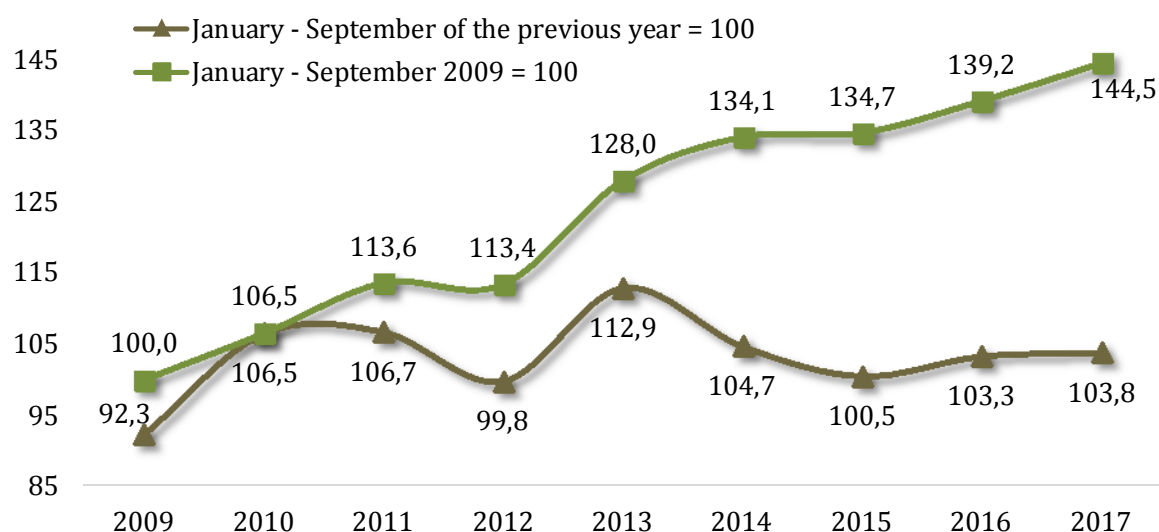


Figure 1.1. GDP dynamics in January-June 2009-2017, %

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

During these nine months of 2017, the volume of GDP has had different growth rates, thus in Q I it has registered an increase of 3.1%, followed by a 2.5% growth in Q II and an acceleration in the growth rate in Q III, reaching 5.4% sply (gross series). The Gross Value Added during January-September 2017 has also increased compared to the same period of the previous year reaching values of 3.3%, thus contributing to the GDP growth and formation by 2.8% and 84.0% respectively.

Main activities which contributed to the GDP increase during this period were the following:

- Agriculture, forestry and fishing increased the GDP by 0.4%, holding a weight of 11.3% to the GDP formation and a GVA growth of 3.3%;
- Mining industry and manufacturing industry; production and supply of electricity, heat energy, gas, hot water and conditioned air; water distribution; sanitation, waste management; decontamination activities posted an increase in GDP by 0.3%, having a weight to GDP formation of 14.5% and a GVA growth of 2.2%;
- Constructions rose the GDP by 0.2%, with a weight of 3.7% to the GDP formation and a GVA increase of 4.3%;

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.

- Wholesale and retail trade; maintenance and repair of vehicles and motorcycles; transport and storage; accommodation and food service activities contributed to the GDP growth by 1.4% having a weight of 20.3% to the GDP formation and a GVA increase of 7.1%.

The volume of taxes on products has also increased by 7.5% sply, thus contributing to the GDP growth and formation by 1.2% and by 16.5%, respectively.

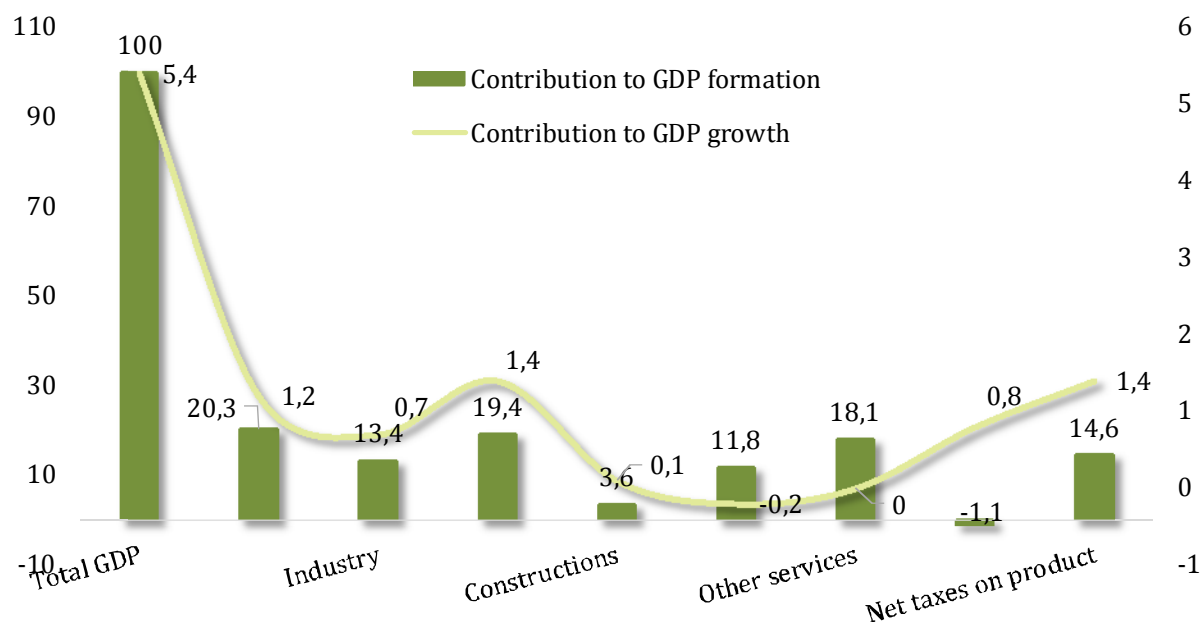


Figure 1.2. Contribution of resource components to GDP formation in Q III 2017 and to its increase compared to Q III 2016, %

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

In terms of uses, the GDP growth was possible due to the increase of household final consumption (+4.0%) having a contribution of 86.5% to the GDP formation and a volume increase of 4.6%. These positive aspects were met within the gross fixed capital formation which has contributed with an increase of 1.1%, 21.7% to the GDP formation and a volume increase of 5.1%.

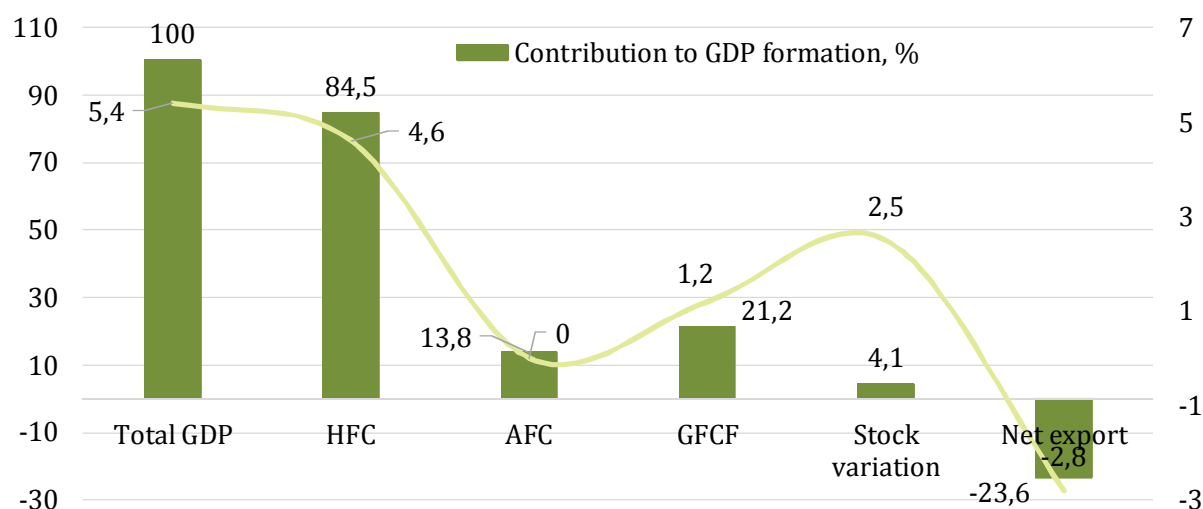


Figure 1.3. Contribution of components of uses to GDP formation in Q III, 2017 and to its increase compared to Q III 2016, %

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

However, the net export has had a negative contribution to the GDP growth (-3.6%), given that the imports of goods and services influence more significantly the GDP formation than the exports by 71.1% and 41.4%, respectively.

Industry

During January-September 2017, the industrial production of the Republic of Moldova had an increase of 2.4% (gross series) compared to the similar period of the previous year.

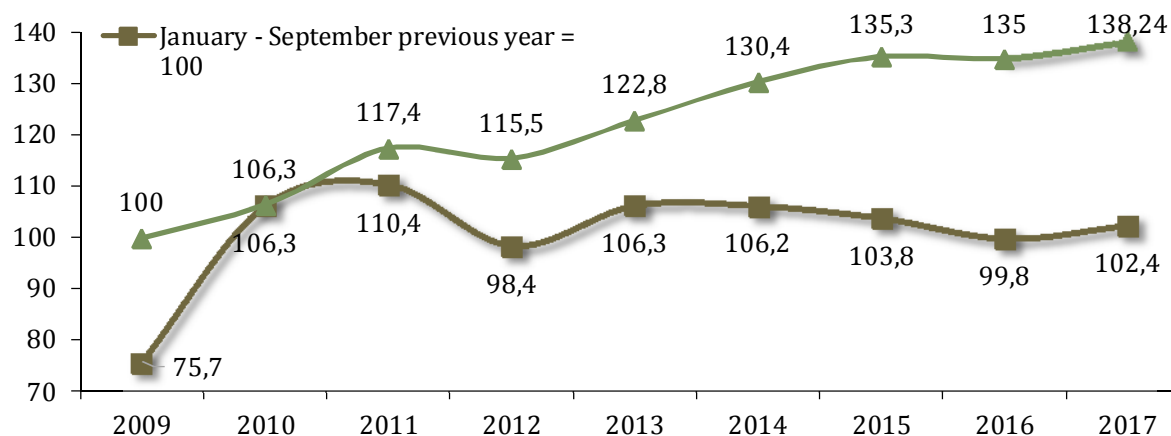


Figure 1.4. Indexes of industrial production in January-September 2009-2017, %

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

This growth is due to the increase of industrial production in manufacturing industry which showed a development of +2.9% and increase of activity of production and supply of electricity, heat energy, gas, hot water and conditioned air which increased by 1.4%. At the same time, the volume of production in mining industry decreased by 5.2% sply.

At the disaggregated level, in manufacturing industry the highest developments during the analyzed period were recorded in "Manufacture of Electrical Equipments" (+30.9%), "Manufacture of Rubber and Plastic Products" (+20.1), "Other Industrial Activities" n.c.a. (16.4%) and "Manufacture of Wood and Products of Wood and Cork" (+13%). However, at the same time there were several categories of activities which have decreased. The most pronounced are: "Manufacture of tobacco products" (-25.4%), "Manufacture of Textiles" (-14.3%), "Manufacture of paper and paper products" (-25.4).

Table 1.1. Industrial sector activity in January-September 2017, %

	January-September 2017 against January-September 2016, %
1	2
INDUSTRY - TOTAL	102.4
MINING INDUSTRY	94.8
MANUFACTURING INDUSTRY, of which:	102.9
Food Industry	103.6
Manufacture of Beverages	108.8
Manufacture of Tobacco Products	74.6
Manufacture of Textiles	85.7
Clothing Manufacturing	102.5

Table 1.1. – continue

1	2
Leather Tanning and Finishing; Manufacture of Travel Goods and Leather; Fur Dressing and Dyeing	97.2
Manufacture of Wood, Products of Wood and Cork except Furniture; Manufacture of straw products and other twined vegetable fabrics	113.0
Manufacture of Paper and Paper Products	89.9
Printing and Reproduction of Recorded Media	100.8
Manufacture of Coke Products and Crude-Oil Processing Products	98.7
Manufacture of Chemicals and Chemical Products	95.1
Manufacture of Basic Pharmaceutical Preparations and Pharmaceutical Preparations	108.6
Manufacture of Rubber and Plastic Products	120.1
Manufacture of Other Non-Metallic Mineral Products	98.3
Metallurgical Industry	104.6
Metal Construction and Metal Products Industry excluding Machinery, Equipments and Installations	99.6
Manufacture of Computer, Electronic and Optical Products	96.0
Manufacture of Electrical Equipments	130.9
Manufacture of Machinery, Equipments and Appliances n.c.a.	106.0
Manufacture of Motor Vehicles, Trailers and Semi-Trailers	104.7
Manufacture of Other Means of Transportation	8.6
Manufacture of Furniture	101.0
Other Industrial Activities n.c.a.	116.4
Repair, Maintenance and Installation of Machinery and Equipments	92.4
PRODUCTION AND SUPPLY OF ELECTRICITY, HEAT ENERGY, GAS, HOT WATER AND CONDITIONED AIR	101.4

Source: Data of the National Bureau of Statistics.

Agriculture

During January-September 2017, the agricultural production in all types of households grew by 3.7% (in comparable prices) compared to the same period of the last year. This is due to the growth of vegetable production by 6.3% and reduction of livestock production by 1.5%.

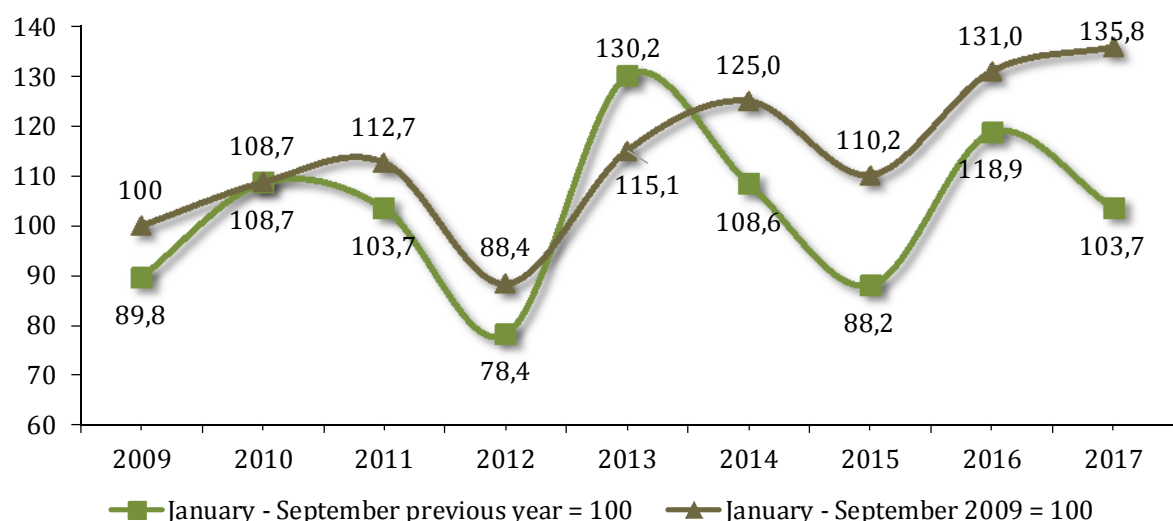


Figure 1.5. Dynamics of agricultural production in January-September 2009-2017, %

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

The global harvest of cereals and leguminous beans crops (excepting maize) in all types of households had a decline of 2.5% compared to 2016. This is especially due to wheat yield which

reduced by 4.4% and barley yield with a 3.9% reduction. However, there are also seen increases and namely for leguminous beans which rose by 1.8 times.

In agricultural enterprises and peasant enterprises there is an increase in the average yield of agricultural crops (excepting stone and seed fruits).

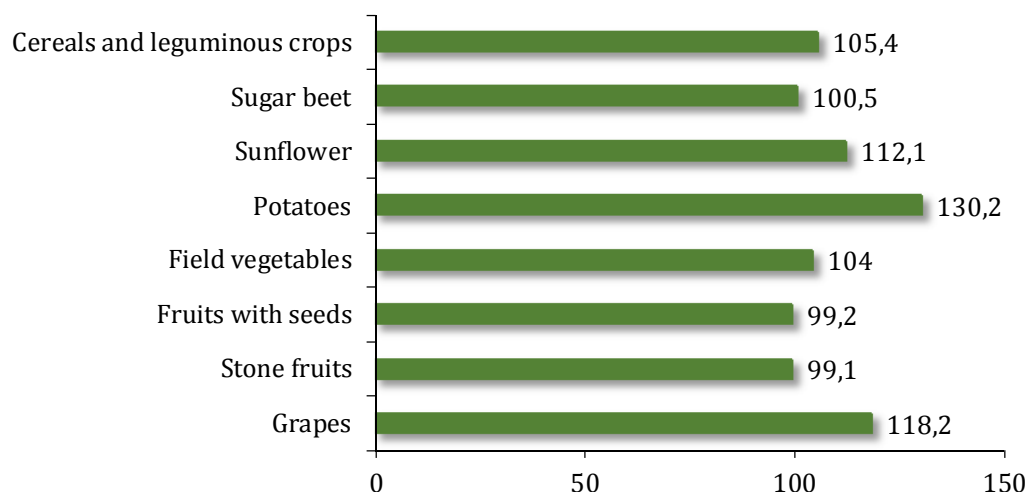


Figure 1.6. Index of average yield per hectare on the main crops in the first 9 months of 2017 compared to the similar period of the previous year, %

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

In the first nine months of 2017 in comparison with the same period of the previous year there was recorded a 5% growth in eggs production (in agricultural enterprises +6.6%; in households +3.6%), a 2.4% decline in breeding of cattle and poultry in live weight (in agricultural enterprises -0.7%; in households -3.3%) and a 3.4% reduction in milk production (as a result of reduction in milk production in households -3.6%).

The largest part of livestock production was produced in households as follows: milk production amounted to 94.8%, breeding of cattle and poultry in live weight – 62.8% and egg production – 51%.

Table 1.2. Main types of livestock production, January-September 2017, %

	Total	In % sply 2016	Weight in % unto total
Breeding of Cattle and Poultry in Live Weight – Total (thousand tonnes)	145.5	97.6	100
of which:			
Agricultural Enterprises	54.1	99.3	37.2
Households	91.4	96.7	62.8
Milk - total (thousand tonnes)	370.5	96.6	100
of which:			
Agricultural Enterprises	19.1	100.3	5.2
Households	351.4	96.4	94.8
Eggs - total mln. pieces	478.8	105	100
of which:			
Agricultural Enterprises	234.7	106.6	49
Households	244.1	103.6	51

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

Investment in fixed assets

During January-September 2017, the investment in fixed assets reached 11113.4 mln. MDL (at current prices), this allowed an increase of 2.4% (in comparable prices) compared to the same period of the previous year. This growth is greatly due to the investment in tangible assets which having a contribution of 98.3% in total fixed investment increased by 2.2% sply. At the same time the investment in fixed assets have also significantly increased by 17% sply, even though they have a weight of only 1.7% of total investment in fixed assets.

The distribution of investment by types of tangible assets during January-September 2017 recorded several changes, therefore: there were registered reductions in the volume of investment in non-residential and residential buildings by 9.7% and 4.4%, respectively, at the same time the investment in engineering constructions have risen by 25.8% and in transmission machinery, equipments and installations which marked the highest weight in total tangible assets of 35.4%, with an increase of 7.7%.

Table 1.3. Structure of investment in fixed assets during January-September, 2017

	Achievements, mln. MDL	In % unto January -September 2016	In % unto total
Investment in fixed assets - total	11113.4	102.4	100
Fixed assets	186.1	117	1.7
Tangible assets	10927.3	102.2	98.3
of which:			
- residential buildings	1822.8	95.6	16.4
- non-residential buildings	1774.2	90.3	16
- engineering constructions	1771.9	125.8	15.9
- transmission machinery, equipments and installations	3935.9	107.7	35.4
- means of transport	1048.9	98.7	9.4
- other tangible assets	573.6	119.8	5.2

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

By sources of finance, the highest sources are own funds of investors accounting for 70.3% of total value and during that period increased by 0.8% compared to the same period of the previous year. Compared to January-September 2016, the highest increases of sources of finance were from the government budget which rose by 34.1% followed by sources of finance from administrative territorial units budget +25.4%. During the same period compared to that of the previous year, there were noticed reductions from foreign sources of finance (-4%) and other sources of finance (-0.2%).

Table 1.4. Structure of investments in fixed assets by funding source in the period January-September, 2017

	Achievements mln. MDL	in % unto January -September 2016	in % unto total
Investment in fixed assets - total	11113.4	102.4	100.0
Funded from:			
- government budget	472.2	134.1	4.3
- administrative-territorial units budget	527.0	125.4	4.7
- own resources	7810.1	100.8	70.3
- foreign sources	525.8	96.0	4.7
- other sources	1778.3	99.8	16.0

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

Trade and other market services

In January-September 2017, the enterprises' turnover of which main activity is retail trade (excepting trade in vehicles and motorcycles) has registered reductions of 3.7% (in comparable prices) as against the similar period of the last year. During the same period, the turnover of wholesale trade (excepting trade in vehicles and motorcycles) increased by 20.1% sply.

The trade in vehicles and motorcycles for January-September has registered a decrement of 17.3% (at current prices) of turnover in comparison with the same period of 2016. In the same period, the market services provided to population increased by 0.2% (at current prices) of turnover, however at the same time, the market services provided especially to enterprises reached a turnover by 8.5% higher (at current prices) in relation to January-September 2016.

Transport

In January-September 2017, 11.9 mln. tonnes commodities have been transported by the road, railway, fluvial, and air transport enterprises. This value is clearly higher by 21.8% compared to that from the last year. During this period, the mileage of commodities has also increased amounting to 3251.2 mln. tonnes-km (+14.4% sply).

The achieved values are due to the *road transport* which transporting 8438.6 thousand tonnes amounted to 70.63% of total volume of commodities transported during that period, showing an increase of 15.4%, *railway transport* transported 3414.3 thousand tonnes with a weight of 28.58% and increased by 42.5% and *air* one transported 0.7 thousand tonnes having a weight of only 0.01% and a rise by 2.2 times more sply.

In the same period, transportation of commodities by river has reduced by 5.5%, being transported 94.5 thousand tonnes, which is 0.79% of total volume of transported goods.

Table 1.5. Volume of transported commodities during January-September 2017

	January - September 2017 (thousand tonnes)	In % unto January - September 2016	Weight in total transported commodities
Transported commodities - total	11948.1	121.8	100
of which by modes of transport:			
- railway	3414.3	142.5	28.58
- road	8438.6	115.4	70.63
- fluvial	94.5	94.5	0.79
- air	0.7	1.5	0.01

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

The main mode of travel chose by passengers is by buses and microbuses reaching in that period 74329.4 thousand passengers, by 2.4% lower as against January-September 2016, followed by air transport with 1331.3 passengers and a growth of 52.4%, railway transport with 1247.3 passengers and a 22.1% decrease sply and fluvial one with 97.9 thousand passengers reducing by 2.1% sply.

Table 1.6. Number of transported passengers by public transport in January – September 2017

	Passengers thousand	In % unto January - September 2016
Buses and microbuses	74329.4	97.6
Air transport	1331.3	152.4
Railway transport	1247.3	77.9
Fluvial transport	97.9	89.8

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

Tourism

Travel agencies and tour operators during January-September 2017 provided tourism services for 239.3 thousand tourists and excursionists which is up by 21% compared to the similar period of the last year. This favoured the increase of outbound and inbound tourism by 26.7% and 22.7%, respectively. However, during this period there is seen a decline of domestic tourism by 7.5%.

Table 1.7. Tourists and excursionists participating in tourism through travel agencies and tour operators

	Tourists and excursionists during January-June 2017	% unto January-June 2017
TOTAL	239 933	121.2
Inbound tourism (foreign citizens visiting our country)	13 007	122.7
Outbound tourism (Moldovan residents travelling abroad)	198 746	126.7
Domestic tourism (Moldovan residents travelling within the country, for tourism purpose)	28 180	92.5

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

Of total people who visited the Republic of Moldova through the services provided by the travel agencies and tour operators, 78.7% arrived for rest, recreation and leisure, 16.3% visited Moldova for business purpose and 5% for treatment. Most non-residents arrived in the country during this period were from: Romania (15.3%), the Russian Federation (8.2%), Poland (7.9%), Germany (7.8%), United Kingdom of Great Britain and Northern Ireland (5.4%), Ukraine (4.9%) etc.

The number of residents who profited by the services of economic agents and tour operators during January-September 2017 amounted to 198.7 thousand which increased by 26.7% compared to the respective period of the last year. Most residents left abroad for rest, recreation and leisure purposes (99.1%). The main destinations were: Turkey (+38.6%), Bulgaria (26.2%), Greece (11.3%), Romania (10.9%), Ukraine (2.9%), Egypt (1.9%), Spain (1.5%), Italy (1.0%) and the Czech Republic (0.8%).

The number of participants in excursion and domestic tourism in that period totaled 28.2 thousand persons, thus reducing by 7.5% in comparison with the relative period of 2016. The excursions and domestic tourism were mainly organized by the agencies and tour operators from Chisinau municipality (46.8%), development regions of Center (26.4%) and South (22.9%).

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

According to the information disseminated by the statistical body of the Transnistrian region, in January-September of 2017, the industrial production index in the region to the left of the Dniester River and Bender municipality increased by 5.2% sply.

This growth was largely due to the increase in the volume of production in metallurgical industry by 49.8%, volume of production in machinery construction industry by 25.2% and

² According to the data of the statistical body of the Transnistrian region: <http://mer.gospmr.org/gosudarstvennaya-sluzhba-statistiki/informacziya/o-soczialno-ekonomicheskopolozhenii-pmr.html>

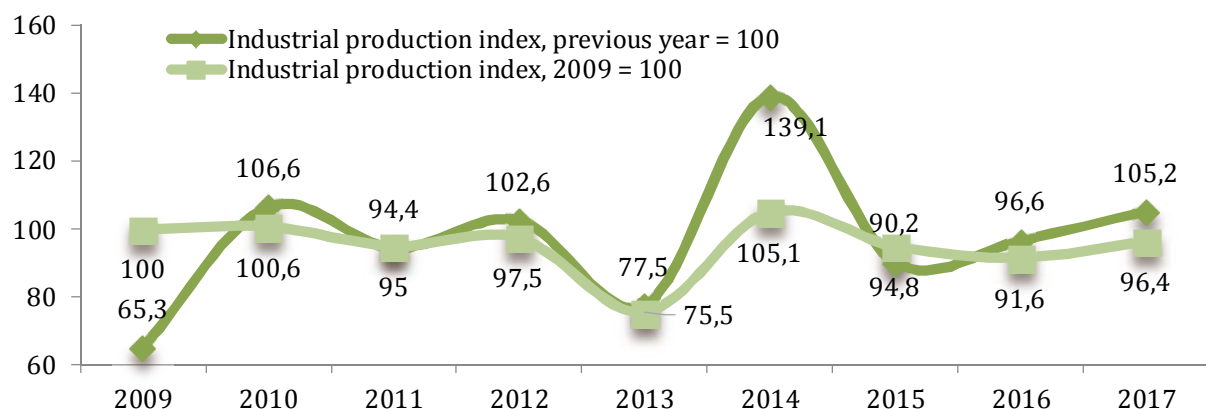


Figure 1.7. Dynamics of industrial production index in January-September 2017, %

Source: Author's calculations according to the data of the statistical body of the region to the left of the Dniester River.

electrotechnical industry by 17.3% sply. However, in the same period there were also recorded declines in the volume of production in electric and heating industry by 21.1% and building materials industry by 2.5%.

There was also recorded an increase of 12% in agri-food industry compared to January-September of the last year.

The volume of investment in fixed capital in January-September 2017 dropped significantly by 30.7% in relation to the similar period of the last year. This is due to the construction and assembly works which declined by 8.5% and machinery, equipments and means of transport which have also reduced by 35.6% sply.

The volume of construction works made in enterprise amounted to 68.1% in relation to the same period of the last year. Within them, the new construction works, reconstructions and facilities technology reduced by 42.6%, capital repairs by 42%, and current repairs increased by 14.6%.

Retail trade and services provided to population rose by 7.9% and 1.8%, respectively in comparable prices sply.

Chapter II

PRICES, EXCHANGE RATES AND MONETARY POLICY

2.1. Prices and exchange rates

Prices

Since the beginning of this year, the annual inflation rate maintained its growing trend given that CPI amounted to 6.3% in the first nine months of 2017, which is actually a decrease of 1.6 p.p. compared to the value recorded in the same period of the last year. In the same period, there were recorded the following increases for CPI components: food products – 7.3%, non-food products – 4.7%, services – 6.7%.

In quarter III, 2017 the growth rate of CPI was 7.4%, increasing by 2.9 p.p. compared to the similar period of the last year. In July-September, 2017 there were recorded the following increases for CPI component: food products – 8.9%, non-food products – 4.4%, services – 8.9%. There is seen that the growth trend is especially given by the foods and services segments given the unfavourable weather conditions in the first case and the impact of tariff rises for several regulated services, ultimately.

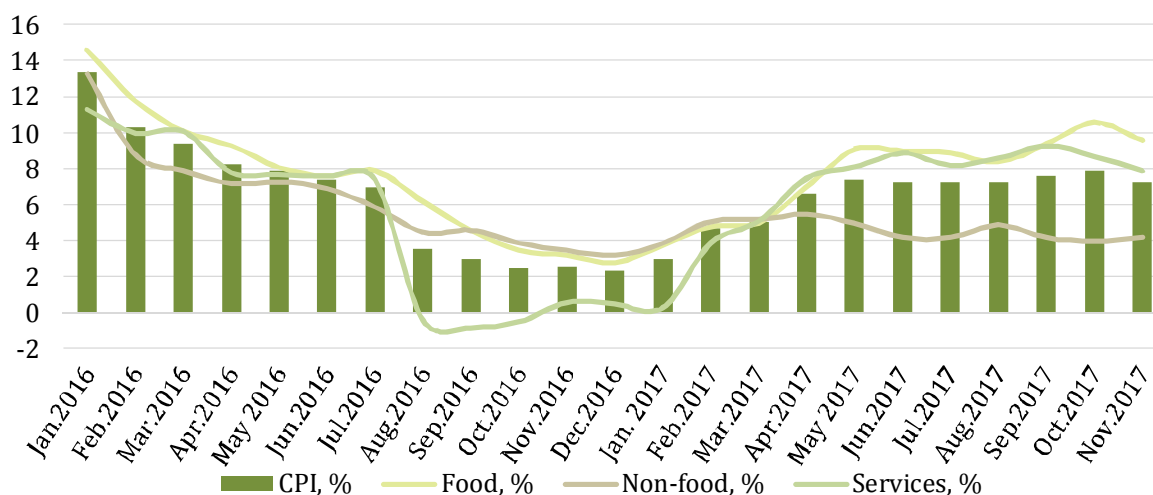


Figure 2.1.1. Annual growth rate of CPI and its components, %

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

In quarter III of 2017, the prices of food products increased by 8.9%, by 2.7 percentage points above the level recorded compared to quarter III of the last year (in monthly expression compared to the same period of the previous year there were produced the following rises: in July – 8.9%, in August – 8.4%, in September – 9.4%). The upward trend in prices of food products in quarter III of 2017 was especially due to the rise of vegetables by 28.8%, including cabbage by 17.4%, potatoes – 42.3% etc., fresh fruits marked up by 17.2%, butter by 10.6%, eggs – by 7.6% etc. Insignificant price reductions were recorded only for cucumbers, wheat and maize flour.

The prices of non-food products in quarter III of 2017 grew up by 4.4% sply, the value of this indicator decreasing by 0.6p.p. against the same period of 2016 (in monthly expression compared to the same period of the last year, the rises amounted to: 4.2% in July, 4.9% in August and 4.2% in September). During this period, most non-food products, excepting vehicles, TVs

and drugs there recorded increases in prices. The highest increases in price were recorded for: cigarettes – by 26.5%, footwear – by 8.6%, fuels – 7.8%. The increase in prices of non-food products was mainly due to the rises in price of regulated products as well as the amendments made in fiscal policy which led to higher excise duties on several products.

In quarter III of 2017, the services have registered essential rises in price advancing by 8.9% sply, by 6.8 p.p. above the level of this indicator in 2016 (in monthly expression, compared to the similar period of the previous year there were registered the following increases: in July – 8.8%, in August – 8.6% and in September – 9.2%). In the reference period compared to quarter III of the last year, the highest rises in price were recorded for health services - by 74.3%, public utility services – by 6.7%, including: water and sewage by 22.8%, hot water by 13.7% and central heating by 14.1%. The increase in health services tariffs adopted by the Government in the previous quarter and rise in other regulated prices have vastly contributed to the rise in service prices.

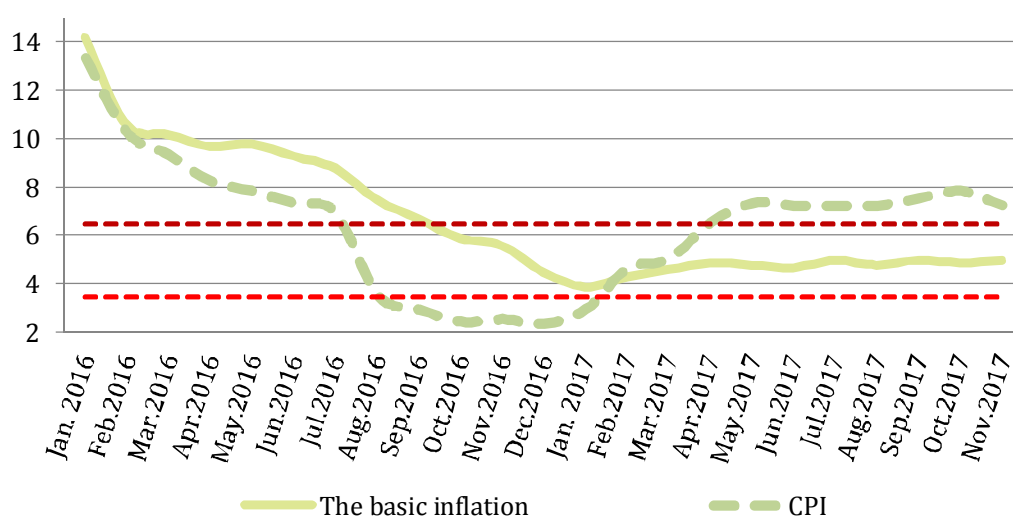


Figure 2.1.2. Annual growth rate of CPI and core inflation, %

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

Since the beginning of 2017, core inflation registers a deceleration compared to CPI dynamics. During July-September 2017, the core inflation index amounted to 4.9% sply decreasing by 2.7 p.p. compared to the same period of 2016.

In monthly expression, compared to the same period of the previous year, the growth rate of core inflation recorded the following increments: in July – 5%, in August – 4.8% and in September – 5%. The annual rate of core inflation since the beginning of this year was situated on a less volatile variation range compared to CPI fluctuations, the appreciation of national currency against the major reference currencies, as well as the exclusion of some prices on which the influence of monetary policy is less significant or nil: administered, volatile (vegetables, fruits, eggs, fuels), tobacco products and alcoholic beverages ones have contributed to these.

In quarter III of 2017, dynamics of industrial production prices has registered a slight acceleration. In July-September 2017, the growth rate of annual index of industrial production prices increased by 0.3 p.p. compared to the same period of the previous year reaching 3.9%. In industry, the following rises sply have been recorded: mining industry – 3.9%, manufacturing industry – 3.2%, energy sector – 11.5%. During that period, there were recorded rises in tariffs of production, supply and distribution of electricity and heat energy.

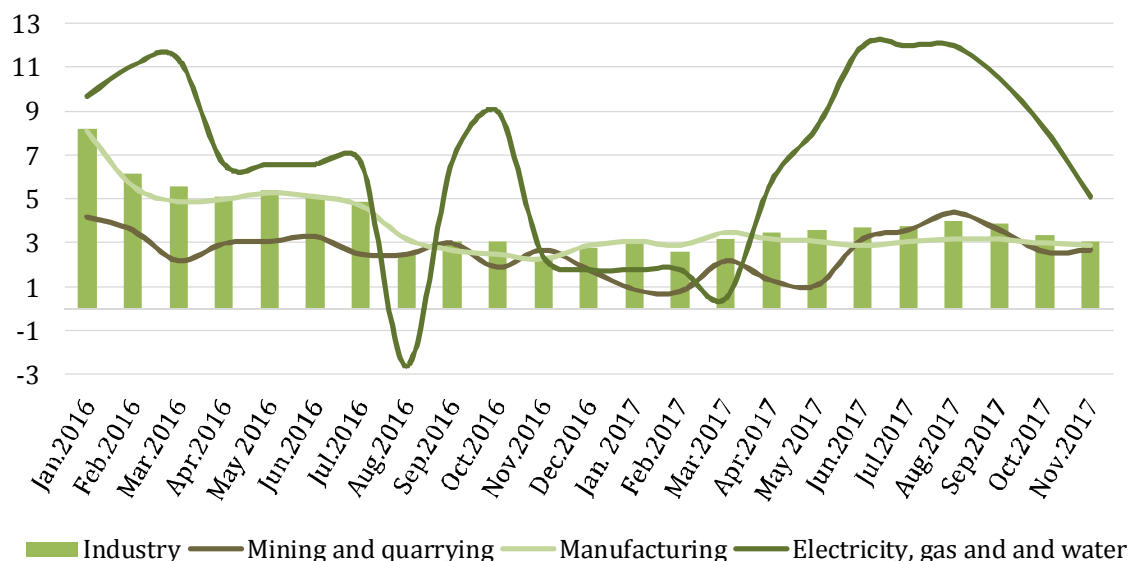


Figure 2.1.3. Annual growth rate of industrial production prices and its components, %
Source: According to the data of the National Bureau of Statistics.

Construction prices have registered an essential decrease. The growth rate of construction prices in quarter III 2017 decreased by 6.6 p.p. and amounted to 2.1% compared to the level recorded in the same period of the previous year.

However dynamics of agricultural producer prices has increased. In quarter III of 2017, the agricultural producer prices increased by 1.2% against the same period of 2016. During the reference period, the vegetable products, whose prices increased by 1.4% sply and prices of livestock products registering a 1.7% growth have contributed to the increase of annual growth rate of this category of prices compared to the similar period of the last year.

An upward dynamics was attested for growth rate of fuel prices. In quarter III of 2017, the growth rate of fuel prices has recorded 7.8% sply which shows an increase of this indicator by 11.1 p.p. sply (in monthly expression, compared to the same period of the last year the fuel price indices have registered the following values: in July – 5.9%, in August – 9.8% and in September – 7.7%). There is seen a fluctuant monthly dynamics of these prices under the influence of fuel prices on international markets and fluctuations of national currency in relation to USD during this period.

Exchange rates

The attenuation of the exchange rate fluctuations of the national currency since the beginning of this year determined the gradual appreciation of national currency during the nine months of 2017. In quarter III, 2017 the average nominal exchange rate against the major reference currencies was 21.0 MDL/EUR and 17.9 MDL/USD, appreciating compared to the similar period of the last year by 4.9% against the single European currency and by 9.5% in relation to US dollar.

In monthly expression, the average exchange rate of the national currency against the single European currency has slightly depreciated, amounting to: 20.8MDL/EUR – in July, 21.1 MDL/EUR – in August and 21.1 MDL/EUR – in September. However, the national currency against the US dollar has consecutively appreciated, the average exchange rate of leu against USD during quarter III, 2017 being 18.1 MDL/USD in July, 17.9 MDL/USD in August and 17.7 MDL/USD in September.

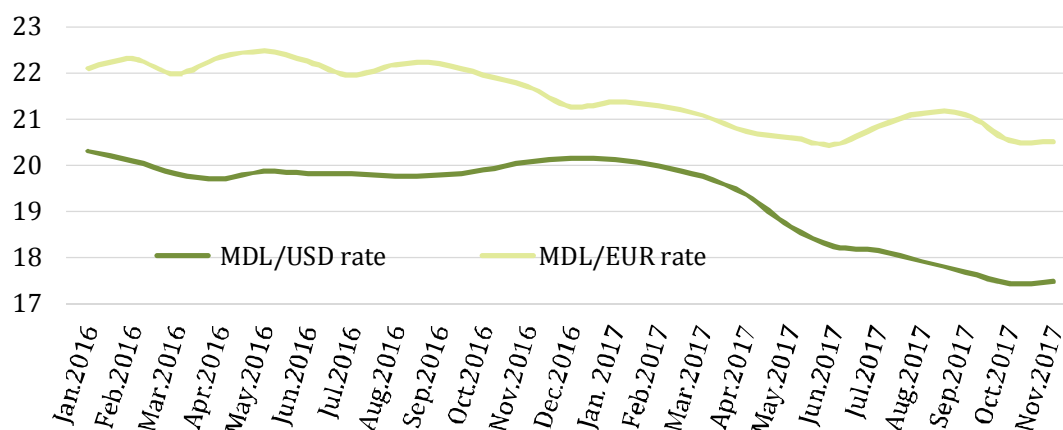


Figure 2.1.4. Development of average monthly nominal exchange rate of MDL in relation to USD and EURO

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

The appreciation of the nominal exchange rate in Q III, 2017 consolidated also the position of the real exchange rate of the national currency. In real terms, Moldovan leu has appreciated during this period by 14.2% in relation to USD (in comparison with the same period of the last year) and by 10.1% against euro sply.

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

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

In quarter III of 2017 the annual growth rate of CPI amounted to 10.1% growing by 8.6 p.p. compared to the similar period of 2016. The highest inflationary pressures on CPI during this period came from prices of food products, which is considered to be seasonal by local authorities.

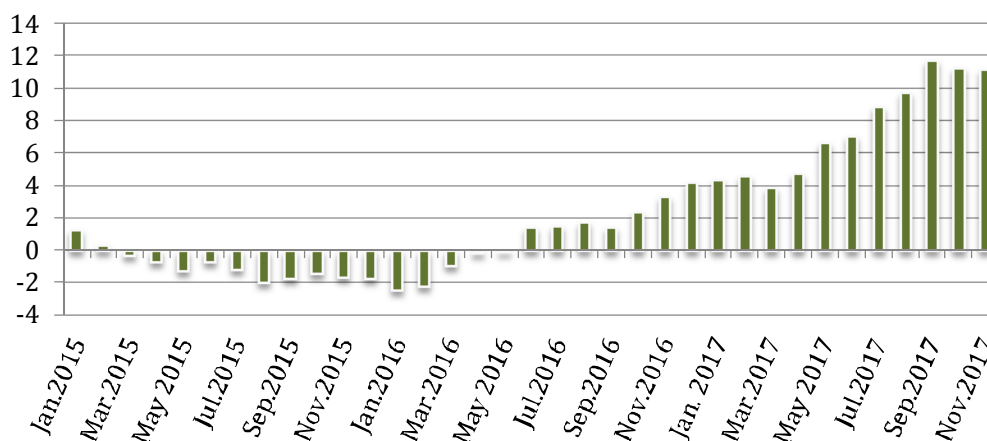


Figure 2.1.5. Annual growth rate of CPI in region from the left side of the Dniester River, %

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

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

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

After the interventions of the Central Bank, at the end of quarter I, 2017 the Transnistrian ruble has slightly depreciated. The average nominal exchange rate, during the reference period was 15.6 rubles per one Euro, depreciating by 27% against the value of the similar period of the last year.

2.2. Monetary policy

In quarter III of 2017, the NBM maintained its restrictive monetary policy intended for reducing the inflation by quantitative methods applied on the components of money supply which did not end in the expected result analyzing the growth rate of annual inflation.

Monetary policy instruments

Since the beginning of this year to the end of quarter II, 2017 the National Bank of Moldova maintained the same monetary policy rates and by the end of quarter III these have been diminished by 1.5 p.p. in two stages.

In quarter III, 2017 after the NBM decision at the meeting of June 28, 2017, the base rate reduced from 9% to 8% declining by about 2 p.p. compared to the level from the same period of the last year. On the same lines, there have amended the interest rate on overnight loans which declined to 11%, and interest rate on overnight deposits to 5%. By the end of 2017, the NBM operated new decrements of monetary policy rates reducing them by 1.5 p.p., respectively in several stages.

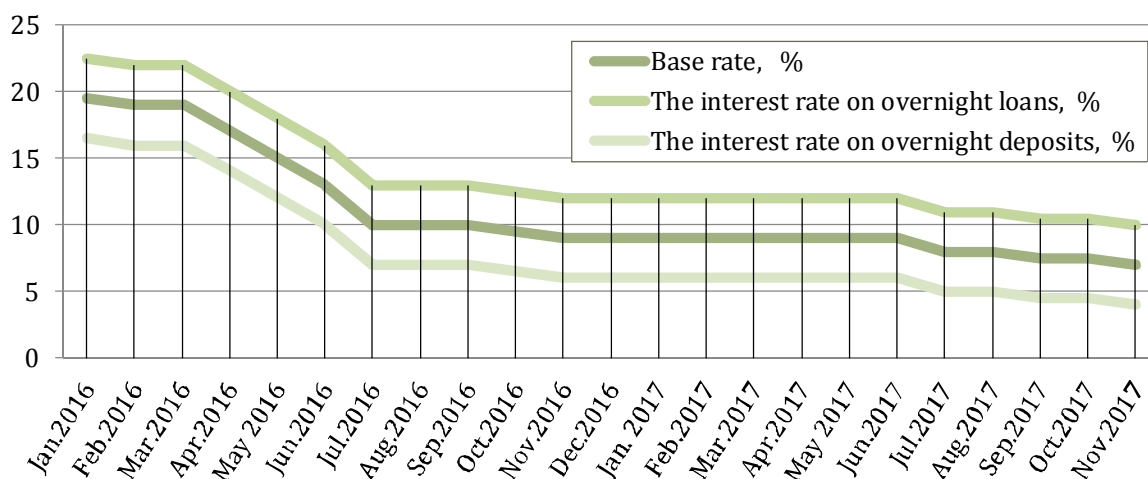


Figure 2.2.1. Development of interest rates on monetary policy instruments of the National Bank of Moldova during 2015-2017

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

Required reserves

In quarter III of this year, the NBM maintained the same ratio of required reserves from means attracted in Moldovan lei and non-convertible currency at the level of 40% of computation base. The ratio of required reserves from means attracted in convertible currencies remained the same at the level of 14%.

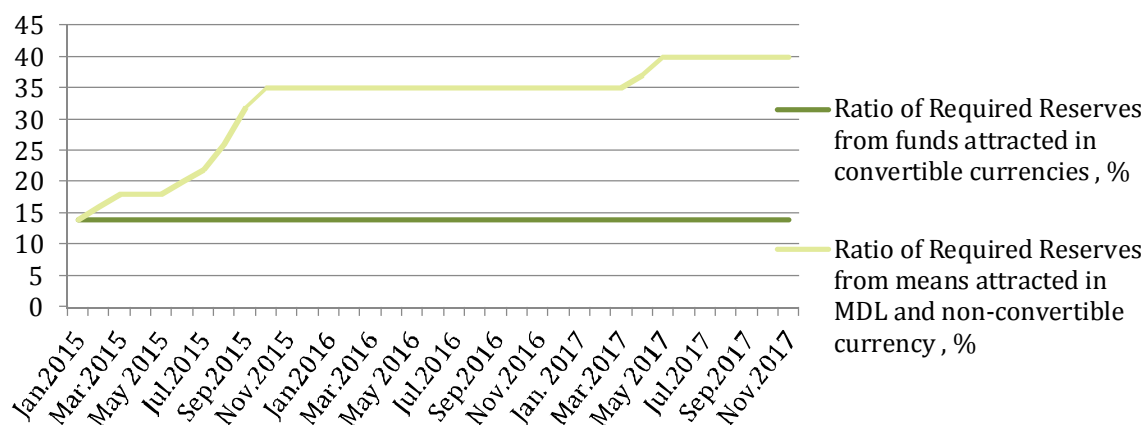


Figure 2.2.2. Ratio of Required Reserves at the NBM, %

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

Regarding the growth rate of inflation, the effect of the increase in the reserve ratio is still long in coming, mostly given a slight compression of money supply in 2014-2015, in 2016-2017 this returns to arise. By maintaining the ratio of required reserves in this way there is obtained only the immobilization of a major part of resources of the commercial banks which could be directed to lend and fund the national economy. We consider that the NBM should find other opportunities to sterilize the excessive liquidities of the economy, especially given that the interest rate channel of monetary policy had failed.

Open market operations and standing facilities

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

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

Foreign exchange market interventions

In quarter III of 2017, the NBM has intervened on the foreign exchange market especially as a buyer of foreign currency and the volume of foreign currency purchases amounted to about 105.9 mln. USD. These interventions were in accordance with the monetary policy promoted by the NBM and aimed to supply the official reserve assets.

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

Month	Volume of purchases, (equivalent mln. USD)	Volume of sales, (equivalent mln. USD)
1	2	3
January 2016	0.38	-
February 2016	0	-
March 2016	11	-
April 2016	108.8	-

Table 2.2.1. – continue

1	2	3
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	-
March 2017	28	-
April 2017	9.5	-
May 2017	37.4	-
June 2017	52.81	-
July 2017	70	-
August 2017	58.9	-
September 2017	67	-
October 2017	80	-
November 2017	20	-

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

The volume of the official reserve assets at the end of the third quarter of 2017 has increased by 423.5 mln. USD since the beginning of this year and continues to rise. The balance of the official reserve assets at the end of quarter III, 2017 equated to 2.63 bln. USD, increasing by 22.5% sply. The increase in the stock of the official reserve assets was due to the NBM's interventions on the domestic foreign exchange market in foreign currency purchases, registration of loans and grants in favour of Ministry of Finance of Moldova, revenues from managing foreign exchange reserves etc.

Monetary indicators

In quarter III, 2017 the growth rate of money supply loosely (M3) maintains at the level of the same quarter of the previous year, increasing by about 2 p.p. The main contribution to the money supply increase have had the components of the monetary aggregate M1, especially demand deposits in national currency.

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

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

- monetary aggregate M0 has increased by 8.2%, amounting to about 18.2 bln. MDL;
- monetary aggregate M1 grew up by 15.8% and reached a level of 31.4 bln. MDL;
- growth rate of monetary aggregate M2 rose by 9%, accounting for 49.4 bln. MDL
- monetary aggregate M3 posted an increase of 7.4% and equated to 74.7 bln. MDL.

At the end of quarter III of 2017 the volume of monetary base has recorded an essential increase of 15% sply and amounted to 38 bln. MDL.

The money supply in national currency strengthens slightly the value in total money supply, however from the increase in the volume of monetary aggregate M1. In quarter III, 2017 major structural changes regarding the weight distribution of different components in money supply did not losely occur.

On September 30, 2017 the money supply components were distributed as follow: monetary aggregate M0 (currency in circulation) – 24.5%; demand deposits – 17.6%; term deposits – 24.1% and deposits in foreign currency – 33.8%. Compared to the data at the end of quarter III of 2016 it is mentioned a 1 p.p. reduction in the weight of deposits in foreign currency and a 2.1 p.p. decrease in the weight of term deposits in national currency sply. At the same time, the weight of monetary aggregate M0 and demand deposits have increased by 0.2 p.p. and 2.8 p.p., respectively.

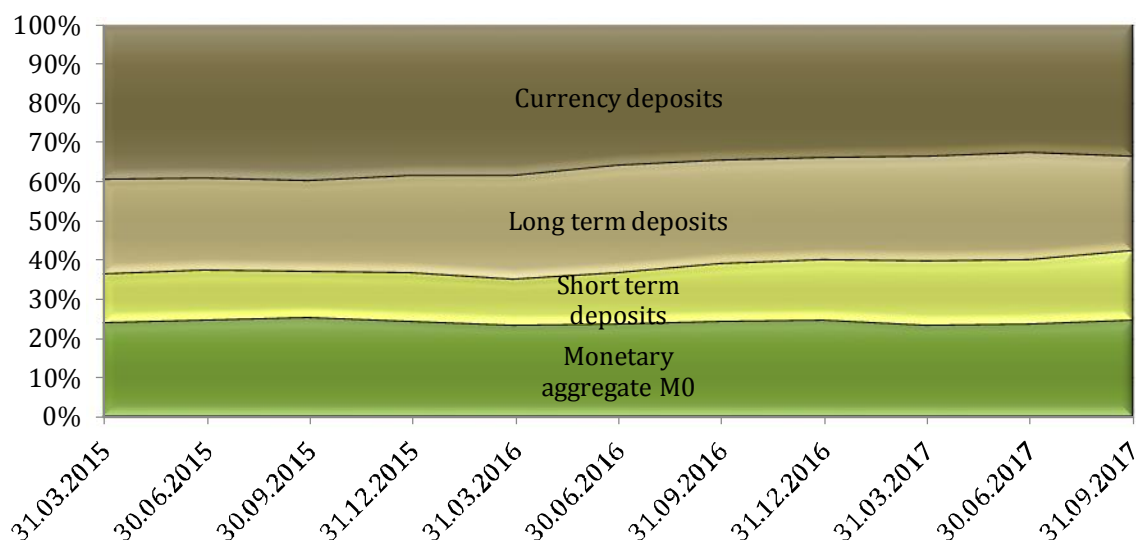


Figure 2.2.3. Structure of money supply M3

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

Monetary policy in the region from the left of the Dniester River

The monetary policy strategy of the central bank of the Republic of Moldova's region to the left of the Dniester River is based on the principle of overcoming the economic crisis in the region and maintaining the stability of the financial system. In this respect, in 2017 there was decided to maintain the model of promoting the monetary policy based on the exchange rate targeting.

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

At the end of quarter III, 2017, the money supply in the region from the left of the Dniester was 6990.2 mln. rubles (equivalent of about 5873.9 mln. MDL³), recording an increase of about 31.3%, compared to the volume of money supply recorded at the end of quarter III of the previous year. This growth is due to the depreciation of ruble by the central bank in the region of the Republic of Moldova from the left of the Dniester River during this period (in June 2017, the exchange rate of US dollar increased from 11.30 to 15.00 rubles).

The amendments in monetary policy left their mark on the money supply structure too. On October 1, 2017 the money supply components were distributed as follow: monetary aggregate M0 (currency in circulation) – 14.2%; quasi money – 19.9%; money supply in foreign currency – 65.8%. Compared to the similar period of the previous year, at the end of the third quarter of 2017 there have been some significant changes in the weight of money supply in foreign currency by 13% and the weight of currency in circulation and quasi money decreased by 6.3 p.p. and 6.8 p.p., respectively.

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

Chapter III

FINANCES

3.1. Public finances

Over the three quarters of 2017, the economic situation was favourable for the national public budget execution. Thus, the national public budget revenues were collected on September 30, 2017 in the amount of 34425.5 mln. MDL or by 18.3% more compared to the same period of the previous year despite the pessimistic expectations.

In the 9 months of 2017, the total national public budget revenues were provided by the government budget in the amount of 24 424.5 mln. MDL, mandatory health insurance budget – 13 2015.8 mln. MDL, public social insurance budget-4595.1 mln. MDL and local budgets – 9 176.4 mln. lei. The increase of revenues were as follow: the government budget revenues rose by 4 273.80 mln. MDL, public social insurance budget – by 1 299.80 mln. MDL, mandatory health insurance funds – by 309.60 mln. MDL and local budgets – by 72.00 mln. lei. The analysis of the net revenues structure of NPB (without transfers between budgetary components) reflects a significant weight of the national budget receipts, with 63.54% contributions in total revenues, followed by social insurance budget with 22.19%, a lower weight of the local budget receipts with 7.37% and the lowest contribution have had the MHIF (mandatory health insurance funds) with 6.90%.

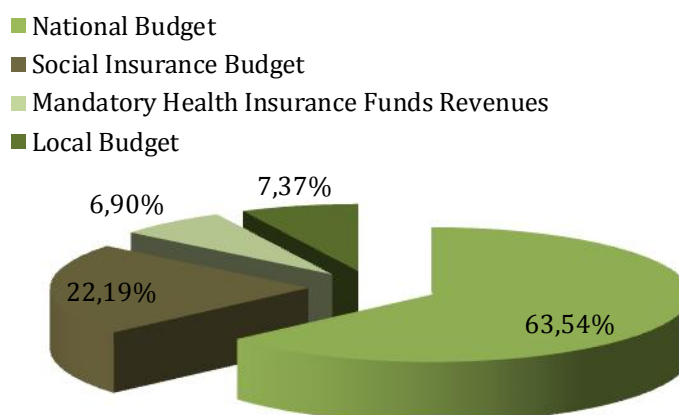


Figure 3.1.1. Structure of revenues in NPB in quarter III, 2017, mln. MDL

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

At the same time, the transfers between the components of the national public budget show a major discrepancy between their ability to collect funds and necessity to fund their expenditures. Thus, from the government budget have been made transfers in the amount of 12 976.30 mln. MDL, however only 9.4 mln. MDL were collected, the highest ones being made in favour of local budgets and Public Social Insurance budget. Hence, the government budget provided 6343.5 mln. MDL as transfers to local budgets, 1 944.80 – MHIF and 4 678.60 – social insurance budget. The funding trend of local budgets and other NPB components from the government budget is maintained during the last years putting the issue of amending the funding formation and administration mechanism at the level of each budget apart, either social or MHIF fund or local ones on the government agenda.

The value of tax and duties revenues during the analyzed period amounted to 25336.7 mln. MDL, increasing by 19.84% or 4194.1 mln. MDL compared to the previous year. At the same time,

there was recorded a decrease of – 81.2 mln. MDL or 32.19% from grants incomes. Almost the same increases in relative indices have had the revenues from insurance contributions – 16.25% or 1596 mln. MDL and non-tax revenues -16.70 or 246.3 mln. MDL. The highest contribution to the NPB's revenue formation have had the taxes on goods and services with 47.3%, (or 71.7% of total tax revenues), of which the VAT accumulated 32.45% of total NPB revenues and excise duties -11.3%, the largest part, about 96%, belonging to excise duties on imported goods. The income tax has contributed 14.51% to the NPB's revenue formation, taxes and duties from external trade –3.02% and taxes on real estate had an insignificant value of 1.13%. We mention that the low weight of income taxes compared to the taxes and duties on goods and services let us to say that the economy of the Republic of Moldova still bases on the model of consumer economy with a view to import of goods and services.

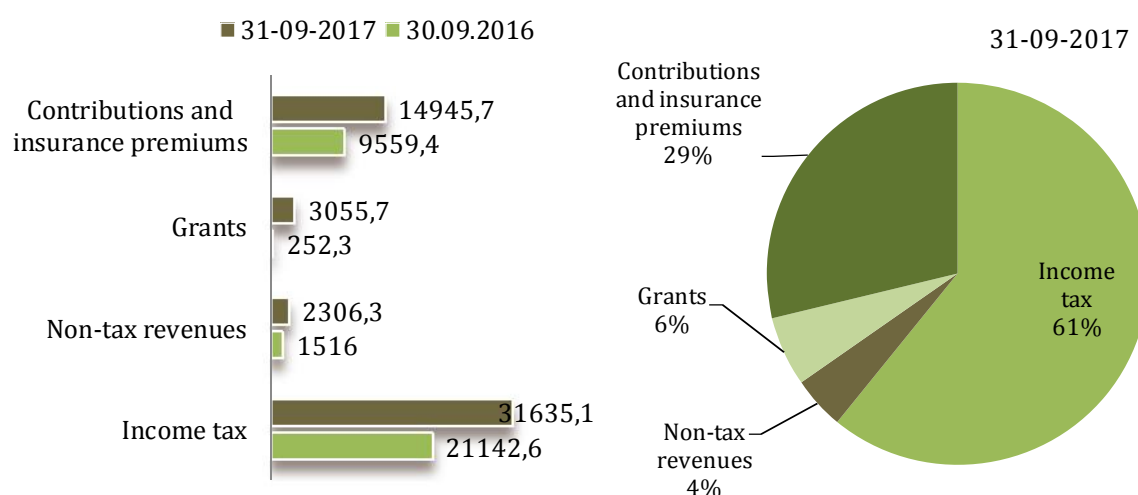


Figure 3.1.2. Structure of revenues by source in NPB in the first 9 months of 2016-2017, mln. MDL

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

The non-tax revenues, in the 9 months of 2017 amounted to 1762.3 mln. MDL, by 16.25% more compared to the same period of 2016, however its components have significantly changed: „State property revenues totaled 307.5 mln. MDL, up by 23.2% compared to the similar period of the previous year, „Revenues from sale of goods and services” – 1043.2 mln. MDL, up by 2.4% while the fines and sanctions increased by about 200%.

On September 30, 2016 contributions and required insurance premiums equated to 11155.4 mln. MDL, contributing 29.03% to the NPB formation, up by 16.7% compared to the same period of the previous year.

In the 9 months of 2017, the Republic of Moldova received grants in the amount of 171.1 mln. MDL, which is only 67.6% of the amount received in the previous year. The most important donations were from international organizations while the governments of other countries transferred only 40.9% of the grants from the 9 months of 2016. *The external granters reduced the volume of funding by grants given that there is no predominantly political stability in the country and several projects funded by the international bodies were frozen or postponed.*

The share of **national public budget expenditures** in 9 months of 2017, accounted for 25 010.7 mln. lei, representing an increase of 3 302.2 mln. lei or by 15.2% against the similar period of the previous year. As a weight in GDP these have registered a 1.4 p.p. growth, from 16.1% of GDP in quarter III 2016 up to 17.5% of GDP in quarter III 2017.

The expenditures made in the 9 months of 2017 amounted to: 37 263.4 mln. MDL, by 11.2% or 3 747.3 mln. MDL more compared to the same period of the previous year including on the NPB components:

- government budget – 23 984.1 mln. lei,
- public social insurance budget – 13 116.7 mln. lei,
- mandatory health insurance funds – 4 405 mln. lei,
- local budgets – 8 733.7 mln. lei.

During this period, the lowest increase of expenditures was recorded in the government budget – 9.36%, the highest increase reached the expenditures from mandatory health insurance funds – 21.87%, and increase of public social insurance budget and local budgets expenditures accounted for 17.66% and 12.98%, respectively.

Compared to the 9 months of 2016, the expenditures for public services with special destination, national defense and those for environment protection decreased by 3.0% 1.45 and 4.8%, respectively. The funds of social sector have had the highest weight of the total, thus recording the highest increases. Therefore, the expenditures for social protection rose by 10.6% up to 14134.4 mln. MDL compared to the similar period of the previous year; education was funded by 10.1% more sply reaching 6504.1 mln. MDL; and health care expenditures increased by 22.2%, amounting to 5033.2 mln. MDL on September 30.2017. The expenditures for environmental protection declined by 5%. We mention a decrease in expenditures for environmental protection for the third consecutive year which cannot be considered a positive thing for the economic and social future of the Republic of Moldova.

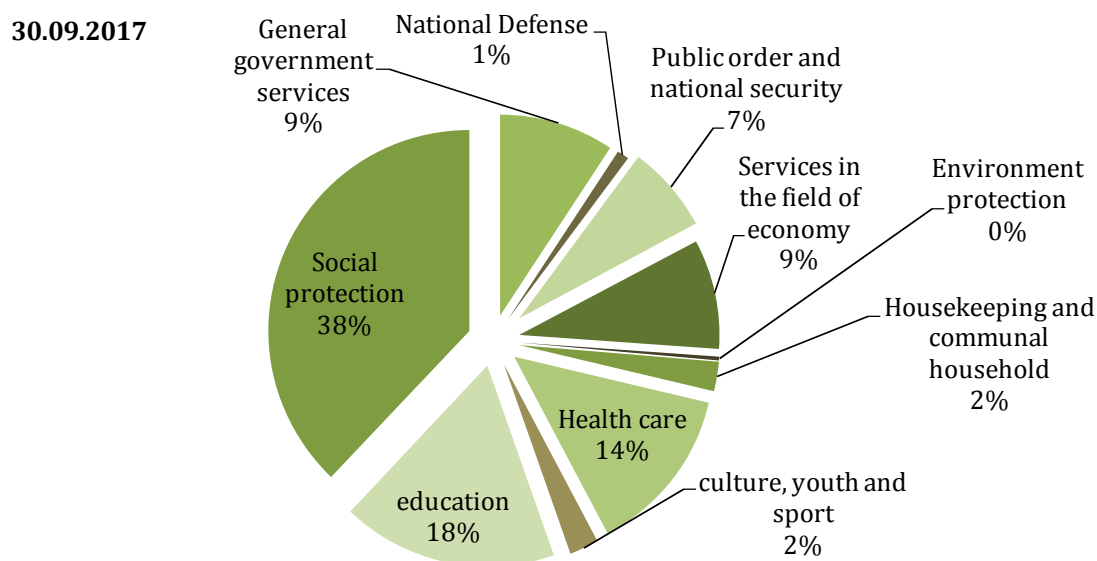


Figure 3.1.3. Structure of expenditures in NPB in quarter III, 2017, %

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

Over the 9 months of 2017, the national public budget execution has resulted in a (surplus) budget balance of 1162.1 mln. MDL given that for 2017 there was set a budget deficit target of 3.0% of GDP. It is for the first time in the last 6 years when the budget balance exceeds. This surplus formed from the faster accumulation of budget revenues account compared to the growth rate of budget expenditures.

At the end of September 2017, the fund balances in the national public budget account have increased by 3250.0 mln. MDL and amounted to 8026.3 mln. MDL, including 904.4 mln. MDL – of projects funded from external sources compared to the beginning of the year.

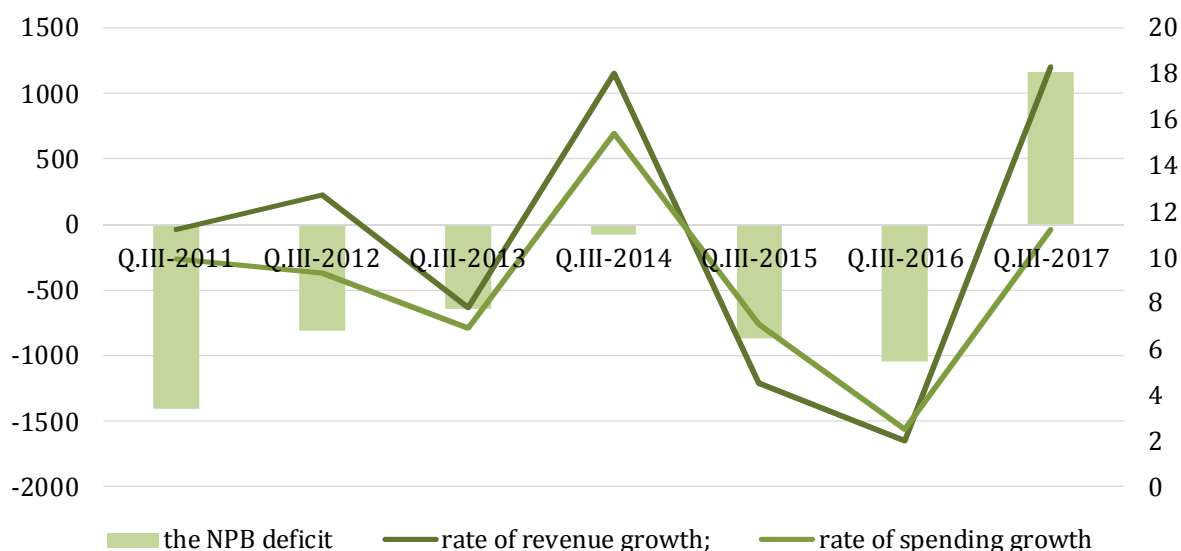


Figure 3.1.4. NPB deficit, mln. MDL

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

All NPB components ended the 9 months in a surplus, the highest being in the Government and Local Budgets.

On September 30, 2017, the **balance of public sector debt** decreased by 1 024.1 mln. lei or by 1.7% compared to the end of 2016 amounting to 58 321.4 mln. lei. According to the GDP data forecast for 2017, the weight of public sector debt in GDP on September 30, 2017 accounted for 39.2%, declining by 4.8 p.p. compared to the end of 2016 and a 5.2 p.p. growth compared to the similar period of the previous year.

The decrease in the balance of the public sector debt at the end of September 2017 compared to the end of 2016 is especially due to the decline in the balance of the NBM debt by 1 211.2 mln. lei and direct debt of public enterprises by 247.3 mln. lei. Respectively, the balance of public debt rose by 423.4 mln. lei and direct debt of ATU increased by 11.0 mln. lei.

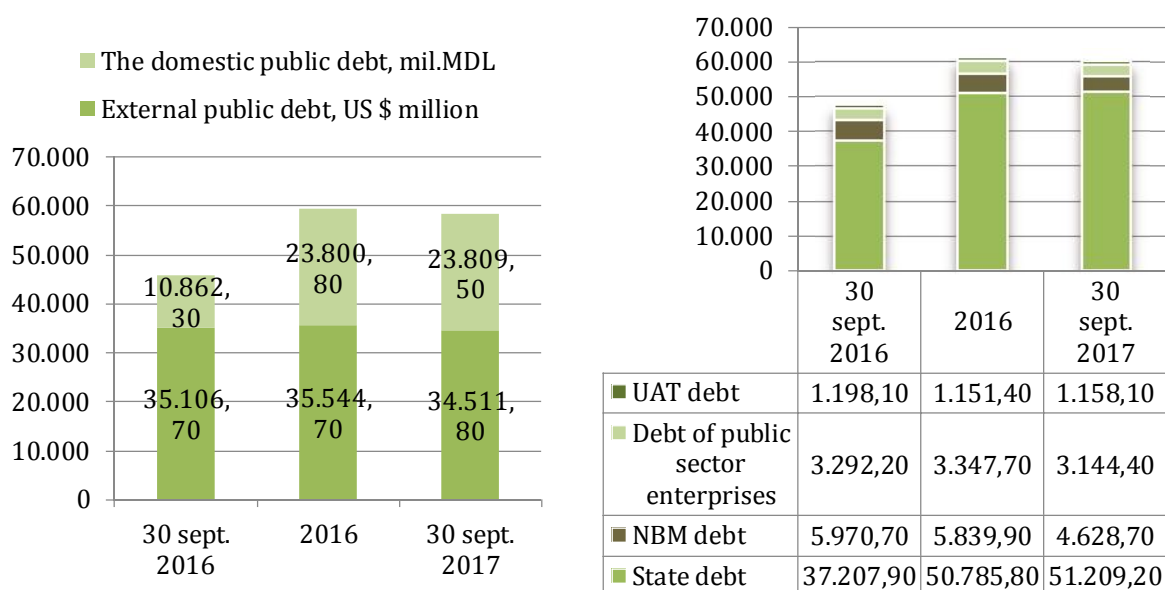


Figure 3.1.5. Structure of public sector debt during 2016-2017

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

Since the highest weight of the public sector debt belongs to the government debt, it deserves a special attention. On September 30, 2017 *the balance of the public debt* amounted to **51 209.2 mln. lei**, increasing by 423.4 mln. lei or by 0.8 percent as against the end of 2016, being especially influenced by the growth in the balance of the internal public debt by 392.3 mln. lei and of the external public debt by 31.1 mln. lei, respectively. According to the data on GDP forecast for 2017, *the weight of public debt in GDP*, on September 30, 2017 amounted to 34.4%, recording a decrease of 3.2 p.p. compared to the end of 2016.

The increase in the balance of public sector at the end of quarter III, 2017 compared to the end of 2016 is conditional on the increase in the balance of public debt by 423.4 mln. lei. In this period, the NBM debt balance decreased by 1211.2 mln. lei, public sector enterprises debt diminished by 203.3 mln. lei, and ATU debt increased by 6.7 mln. lei

On September 30, 2017, *the balance of the external public debt* amounted to **1 663.5 mln. USD** (equivalent of 29 297.3 mln. lei), being entirely formed of direct external public debt.

Since the beginning of 2017, the balance of the external public debt *in USD increased by 198.8 mln. USD* or by 13.6%. This amendment is explained by the positive net external funding in the amount of **99.3 mln. USD**, and by positive fluctuation of the exchange rate of US dollar against other currencies consisting of **99.5 mln. USD**.

On September 30, 2017 as *a weight in GDP*, the external public debt was **19.7** percent, down by 2.1 p.p. compared to the end of December 31, 2016. This development may be explained by the GDP growth rate foreseen for 2017 which is higher than that of the external public debt.

The quality of the public debt can be analyzed through four aspects, such as: maturity, currency, interest rate and debt instruments.

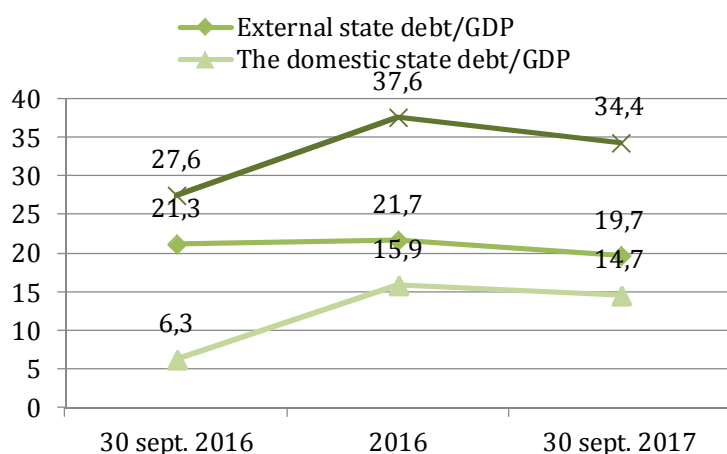


Figure 3.1.6. Relation of debt types against GDP

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

1. According to maturity, the public debt can be considered of high quality if its maturity is longer. Thus, the short-term public debt is situated at the level of 19.3 percent, which means that about a fifth of the public debt balance will reach to maturity within a year. The long-term debt amount to 80.7 percent of the public debt portfolio, the longest periods of maturity being specific to the external public loans and state securities issued for the execution of the payment obligations derived from the state guarantees.

2. Pursuant to the structure by currencies of the public debt, the highest weight belongs to the internal public debt in Moldovan lei – 42.8%, followed by the external public loans denominated in the SDR currency basket – 32.6%. The next positions are occupied by Euro – 17.0%, USD – 5.6%, Japanese yen – 2.0% and sterling – 0.02%. In the public debt structure by currencies, with the decomposition of SDR currency basket, the main position is occupied by Moldovan leu – 42.8%, followed by Euro – 27.5%, US dollar – 19.1%, Japanese yen – 4.4%, Chinese Yuan Renminbi – 3.5% and sterling – 2.7%.

3. In terms of structure by types of interest rate, the debt with floating interest rate amounted to 14.7 percent of public debt portfolio as of September 30, 2017 which is a decrease of

0.6 p.p. in comparison with the end of 2016 and by 4.5 p.p. against September 30, 2016. At the same time, on September 30, 2017 the public debt with fixed interest rate accounted for 85.3 percent of public debt portfolio. On September 30, 2017 the debt instruments with *fixed interest rate are*:

- a) external public loans contracted from the international financial institutions (EIB, CEDB, IFAD, IDA, IMF), as well as from bilateral creditors (US Government, German Government, UniCredit Austria, Romanian Government, KfW German Bank, Turk Eximbank, JICA);
- b) SS issued for the execution of the payment obligations derived from state guarantees
- c) Short-term SS (treasury bills);
- d) Convertible SS;
- e) Long-term SS (government bonds with maturities of 1, 2 and 3 years).

Instruments with *floating interest rate are*:

- a) external public loans with floating interest rate contracted by the international financial institutions (EIB, IBRD, EBRD), from bilateral creditors (Government of Japan, Government of Russia);
 - b) SDR allocation from IMF;
 - c) Long-term SS (government bonds with maturity of 2 years).
4. In the public debt structure, by instruments, on September 30, 2017 the external public loans hold the major weight with 51.5 percent, by 0.1 p.p. more compared to the end of 2016 and declining by 16.8 p.p. in comparison with September 30, 2016. The second position is occupied by the SS issued for the execution of the payment obligations derived from state guarantees with the weight of 26.1%, followed by SS issued on the primary market with 2.7%, SDR allocation with 5.7%, and convertible SS (in NBM portfolio) with 4.0%.

In the first nine months of 2017, means in the amount of **1061.0 mln. lei** have been used from the government budget for *public debt service*, consisting of:

- a) External public debt service to the tune of **264.5 mln. lei** (24.9%);
- b) Internal public debt service of **796.5 mln. lei** (75.1%).

In the first nine months of 2017, the amount for the public debt service decreased by 231.9 mln. lei or by 17.9 percent compared to the same situation of 2016, being influenced by the decline of expenditures for the internal public debt service.

Moldova's rating was reviewed by the Moody's company in January 2017, changing the perspective of development from negative in stable, thus at the end of September 2017, the country's rating was stable B3.

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

In the 9 months of 2017, the republican budget collected revenues in the amount of 1 847.9 mln. rubles, by 111.1 mln. rubles (6.4%) more compared to the real revenues for the same period of 2016 and by 2.1 more compared than those planned for that period of this year. These revenues were obtained from the following sources:

- Tax revenue in the amount of 1 308,6 mln. rubles (70.8% of total government revenues), which is by 57% more than the tax revenues planned for the 9 months of 2017;
- Receipts of the customs system of 221.5 mln. Transnistrian rubles, by 12.7% more than the planned value and by 31.1 mln. Transnistrian rubles or 16.4% more compared to the same period of the last year.
- Excise duties – 114.4 mln. Transnistrian rubles or by 42.1% more than the planned value and by 40.9 mln. Transnistrian rubles or 55.7% more in comparison with the same period of the previous year.

- Income tax of individuals – 246.1 mln. Transnistrian rubles or by 2.8% more than the planned ones for this year and by 11.5 mln. Transnistrian rubles or 4.5% less against the similar period of the last year.
- Income tax of legal entities consisting of 512.0 mln. Transnistrian rubles or 98.9% of the planned value, by 5.4 mln. Transnistrian rubles (1.1%) more compared to the same period of the previous year.
- Non-tax revenues to the tune of 210.3 mln. rubles or 99.7% of total non-tax revenues planned for this period, by 4.1 times more compared to the same period of the last year.
- Assistance of the Russian Federation equating to 5.3 mln. Transnistrian rubles
- Non-reimbursable assistance in the amount of 20.1 mln. Transnistrian rubles or 149.9% of total planned for these revenues during this period and by 9.5 times more than in the same period of the previous year.
- Revenues from commercial activity – 155.3 mln. Transnistrian rubles or 81.7% of total revenues of this type planned for this period and by 5.3% less compared to the same period of the last year.

The Ministry of Finance in the region to the left of the Dniester River mentions that there are several problems on tax administration, thus 19 big companies did not pay taxes in the budget in the amount of 157.4 mln. Transnistrian rubles or 27.6% of tax revenues, especially "Energocapital" – 67.9 mln. Transnistrian rubles or 63% of the debt, Tiraspolitransgaz – 15.1 mln. Transnistrian rubles or 24.5% of the debt and GRES Moldovenească – 15.1 mln. Transnistrian rubles or 10.2%. These companies are the large taxpayers and the decrease of their payments has a great impact on the budget revenues of the self-appointed republic.

In the 9 months of 2017, the national budget expenditure were funded to the tune of 2768.0 mln. Transnistrian rubles, by 133.6 mln. Transnistrian rubles less than in the same period of 2016, only 84.9% of the planned ones. From the declarations of the separatist Republic authorities, the republican budget had a social nature, the weight of expenditures for social protection funding equated to 85.76% of total budget expenditures in this period or 2350,0 mln. Transnistrian rubles.

The budget execution ended in a deficit balance of 920.1 Transnistrian rubles increasing by 20.08% compared to the same period of the previous year.

3.2. Banking sector

The banking sector of the Republic of Moldova experienced positive developments during the nine months of 2017 being conditional on both domestic macroeconomic factors and prudential supervision strengthening promoted by the NBM in order to pass the regulatory framework to the requirements of the Basel III agreement.

During the 9 months of 2017, the bank assets continued to record increase, the banks maintaining the capital, liquidity and profitability at a high level. At the same time the non-performing loans have slightly increased. There is also maintained a decreasing trend of lending. However, there are deficits regarding the transparency and corporate governance in the first 3 banks in the system, BC „Moldova -Agroindbank" S.A., and B.C. „Victoriabank" S.A., for which the intensive supervision regime has been kept with which the special supervision set on June 11, 2015 was replaced, following the amendments in legislation as of October 4, 2016 and for BC „Moldindconbank" S.A., the early intervention regime was introduced. This leads to some uncertainty in the future developments of the banking system because the above-mentioned banks currently hold 64.6% of the banking sector's assets, 56.55% of capital and 64.33% of loans portfolio.

The National Bank of Moldova continues to promote the reforms in the banking sector, especially establishing a transparent shareholder's structure in order to attract new solid

investors, assessing adequately the bank's management and identifying transactions put through with people affiliated to the banks as long as the considerable equity stake of BC „Moldova -Agroindbank” S.A. and BC „Moldindconbank” S.A. did not found yet the desirable buyers to ensure continually the development of stability of these two banks.

In the 9 months of 2016, the bank assets recorded increasing trends, in both volume and quality. During 2016, the growth rate of bank assets was situated on an upward trend and in the first nine months of this year, the volume of assets increased by 4600.3 mln. MDL or 6.5%, being 77547.5 mln. MDL at the end of September 2017, especially from the increase of liquid assets account.

The risk-weighted assets have also arisen from 32 553 mln. MDL at the end of 2016 to 34 453.0 mln. MDL at the end of September 2017 or by 1900.0 mln. MDL more. The growth in the volume of risk-weighted assets was similar to the growth rate of total assets so that the weight of risk assets in total assets registers a continuous decline since the beginning of 2017 reaching 44.66%, less by 0.2 p.p. compared to the end of September, 2016.

At the same time, there is seen that only 4 banks B.C. „Victoriabank” S.A., B.C. „EXIMBANK - Gruppo Veneto Banca” S.A., B.C. „ProCredit Bank” S.A., B.C. „Moldindconbank” S.A. improved their asset quality against the similar period of the previous year. There can be especially mentioned B.C. „Victoriabank” S.A., its risk asset value being reduced by 624.16 mln. MDL and B.C. „Moldindconbank” S.A. bank with a decrease of 706.84. The other 7 banks arose the value of risk-weighted assets. BC „MOBIASBANCA - Groupe Societe Generale” S.A. may be named the head in this respect with 1130.43 mln. MDL and B.C.„Moldova-Agroindbank”S.A. with 826.12 mln. MDL. Two of the banks under intensive supervision improved their positions regarding this respect and „Moldova-Agroindbank” S.A. – worsened it.

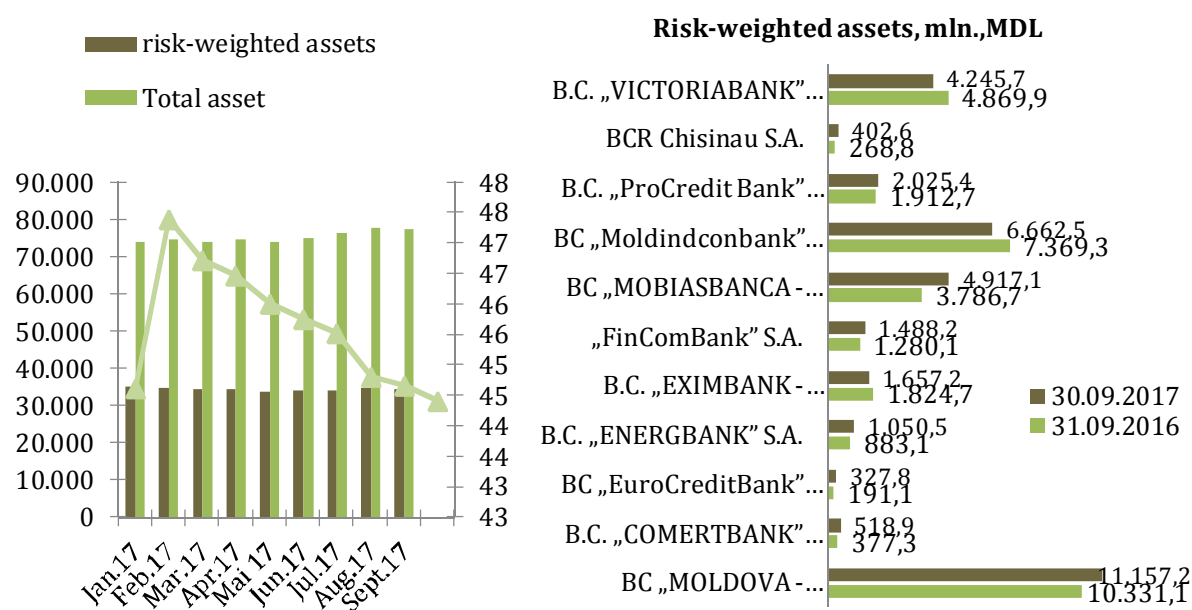


Figure 3.2.1. Development of quality of bank assets

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

The quality of bank assets was also supported by the volume of equity capital, so that, the capital adequacy makes rings round the minimum imposed by the prudential requirements of 16% reaching on average 30.7% in the system. The slope of the chart representing the level of capital adequacy for the period of the nine months, 2017 brought the capital adequacy at the highest level in the entire history of the banking system development with variations within the limit of 1.5% during the analyzed period which can be considered insignificant at such a higher

rate of capital adequacy. The sharp decrease of this indicator recorded in February, 2017 was the result of the increase in risk-weighted assets at a faster rate than the growth of Total Regulatory Capital. The high level of risk-weighted capital adequacy indicator (average per sector- 30.7 percent, regulatory limit for each bank >16 percent) allowed the banks to absorb the losses related to loan quality aggravation. At the same time, all banks keep the regulatory limit, this ranging between 23.8 percent and 100.0 percent (Figure 3.2.2 compared to Figure 3.2.1)

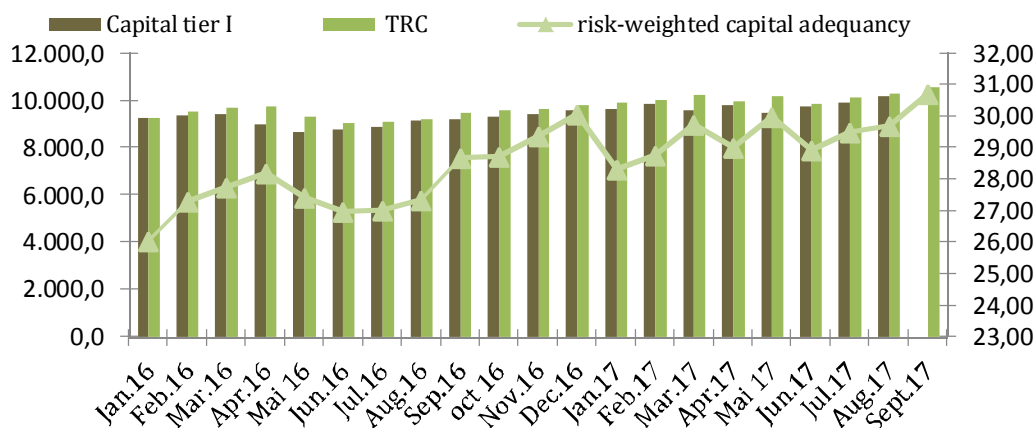


Figure 3.2.2. Development of quality of bank capital

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

The rise of the asset value was regrettably due more to the liquidity increase than loans. On September 30, 2017 the gross loan portfolio amounted to 43.43% of total assets or 33 841.87 mln. lei decreasing by 2.64 percent (919.4 mln. MDL) during the 9 months of 2017. Compared to the same period of the previous year, the reduction was even more drastic amounting to 2 494.6 mln. MDL or 6.86%. Taking into account that the real sector lending is the main pillar which ensures a tenable growth of the country, this trend can be considered a negative one. The investment in securities (National Bank certificates and state securities) have recorded a weight of 13.2 % of total assets being by 2.1 p.p. lower compared to the end of 2016, following the drop

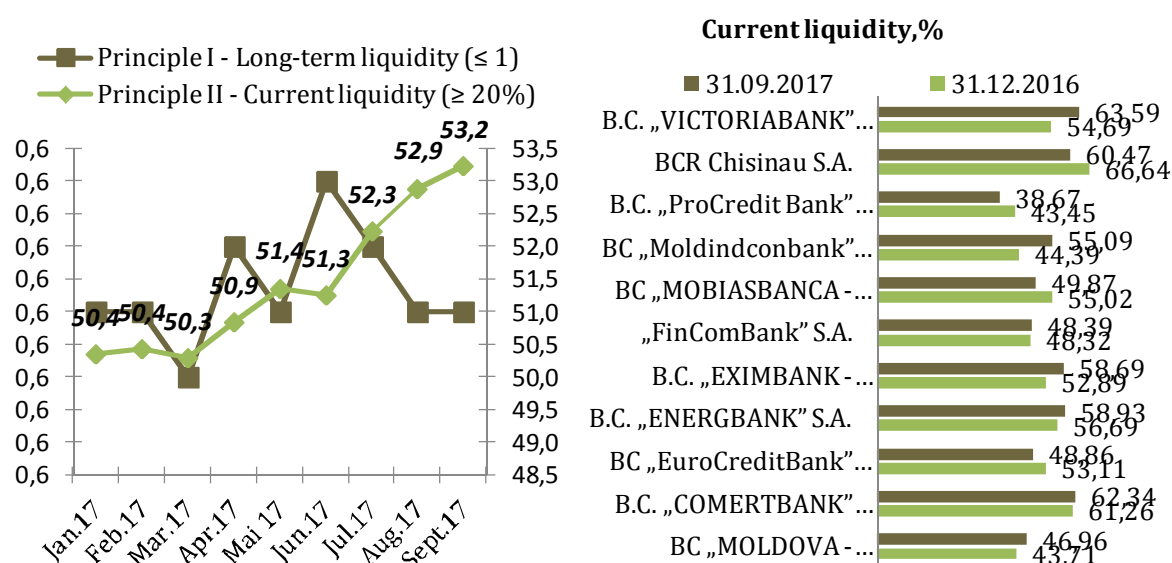


Figure 3.2.3. Level of liquidity in the banking sector on September 30, 2017

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

of the base rate from 9 percent to 7.5 percent. The rest of assets amounting to 43.1 percent are maintained by banks in the accounts opened at the National Bank, in other banks, cash etc. forming with the state securities, the component of liquid assets which are taken into account in the calculation of liquidity principle II.

Over the nine months of 2017, the liquidity indicators of the banking sector fall within the prudential limits set by the NBM, the weight of liquid assets in total assets (liquidity principle II) registers 53.20%, more by 4.0 p.p. against December 31, 2016 and by about 2.5 times more than the minimum limit set by the NBM. The value of the long-term liquidity indicator (liquidity principle I (≤ 1)) of the entire banking system amounted to 0.60, as of September 30, 2017 less by 0.01 compared to December 31, 2016. *Consequently, we state an excessive increase of bank liquidities as well as a migration of a part of loan assets to low-risk liquid assets and adequate return such as the state securities.*

Most banks register a liquidity excess, the actual liquidity indicator being increasing permanently. In this respect B.C. „Comertbank” S.A. with 62.34%, B.C. „Victoriabank” S.A. with 63.59% and B.C. „Energbank” S.A. with 58.93% are leaders in this respect. B.C. „BCR Chisinau” S.A. decreased considerably the weight of liquid assets from 66.64% at the end of last year to 60.47% as of September 30, 2017. Except for B.C. „Victoriabank” S.A., which increased its liquidity as a result of amending its loan risk assessment strategy given the intensive supervision, a liquidity excess report the banks with low capital which under intensive supervision choose to reorient their activity from lending to placements of means in low-risk assets but with an acceptable level of profit. Unfortunately, this situation is encouraged by the NBM which maintains the interest rate on securities issued by it and deposits attracted by banks at a fairly high level.

The slowdown in the volume of new loans which began at the end of 2014 transformed in a moderate reduction of lending during 2015 and 2016, continuing also at the beginning of 2017. The gross loans portfolio granted by the commercial banks had a negative development in the 9 months of 2017. Though, in January there was recorded a sharp increase in loans provided to legal entities by 6 425 mln. MDL which can be considered as an abnormality. Moreover, this abnormal value of loans appeared in January, was not found either in February or June, at the end of quarter III, the value of loans being even lower than at the beginning of the year.

At the same time, there is observed the migration of loans from legal entities to individuals and from foreign in national currency (44.86 %). This is due to the stability of national currency which during 2017 registered an increase in relation to reference currencies. If the foreign exchange risk is expeled from the nominal interest rate, the loans in national currency will become

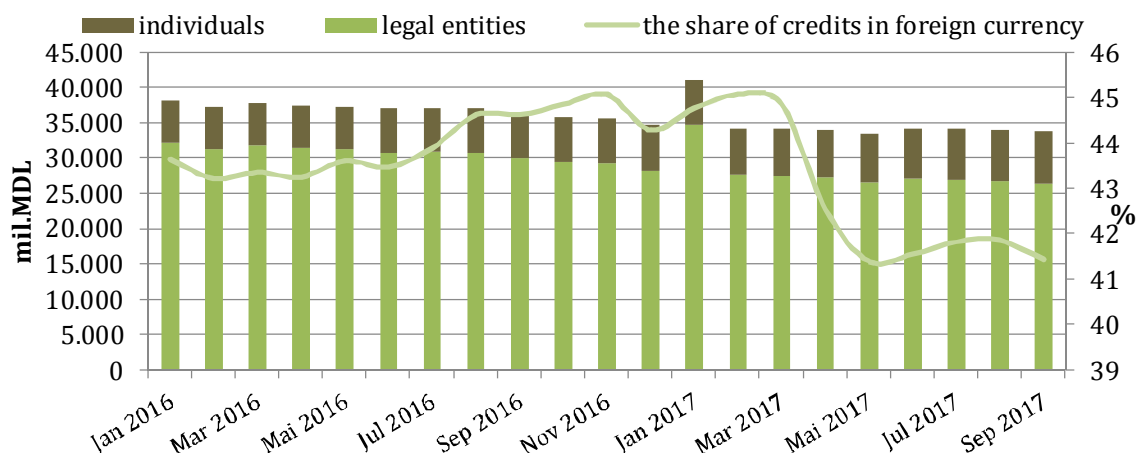


Figure 3.2.4. Loans dynamics by currency and debt category

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

cheaper than those in foreign currency. Thus, the loans provided to individuals increased by 154.61 mln. MDL and those provided to legal entities decreased by 727.70 mln. MDL, against the reduction in the total volume of loans. *The increasing trend in loans provided to individuals from 15.61% of total loans in January 2016 to 21.99% in September 2017 confirms the Moldovan consumer economy (individuals are mainly credited with consumer loans) as well as a high level of uncertainty to real economy development which makes the business unable or unwilling to be lent.*

In the 9 months of 2017 the weight of (substandard, doubtful and compromised) non-performing loans in total loans increased by 1.0 p.p. compared to the end of 2016 amounting to 17.4 percent on September 30, 2017 as a result of loan reclassification in non-performing risk categories following the NBM controls. This indicator ranges from one bank to another, the highest value accounting for 33.7 percent. The weight of non-performing loans in total loans has slightly decreased compared to September 30, 2017. The positive dynamics in quarter III, 2017 is due to the operations made by banks in order to decline the non-performing loans under the NBM's recommendations on continuous supervision of loan quality, promotion of a good governance and tightening of internal policies and strategies pertain to credit risk.

Looking at the relative indicators, we see that the weight of non-performing loans in total loans as of September 30, 2017 has significantly increased by 1.1 p.p., compared to December 31, 2016 and by 1.5% more compared to the similar period of the previous year recording the highest level at the end of quarter III, this year. The aforesaid indicator ranges from one bank to another, the highest value accounting for 33.71% for B.C. „EXIMBANK – Gruppo Veneto Banca” S.A., and the lowest one 2.68% for B.C. „FinComBank” S.A. The banks under intensive supervision have recorded this indicator as follow: B.C. „Moldova-Agroindbank” S.A. – 14.21%, B.C. „Moldindconbank” S.A. – 23.07%, B.C. „Victoriabank” S.A. – 30.11%. Among these three banks B.C. „Victoriabank” S.A. remains to be leader in the respect of credit risk, which during 2017 increased the credit risk both in absolute and in relative indicators, however the bank management is making considerable efforts to redress the situation.

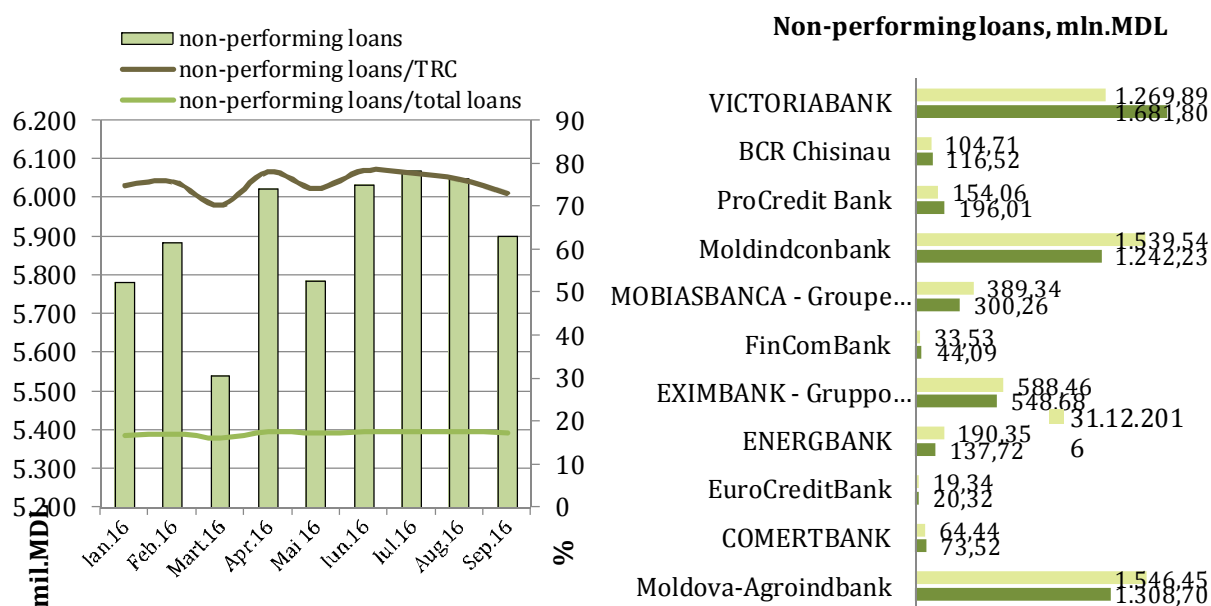


Figure 3.2.5. Dynamics of non-performing loans in banking sector

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

The weight of non-performing loans in total TRC reached 55.7%, down by -2.2% against the end of 2016. The banks which reached the level of this indicator above average are the same three banks under intensive supervision B.C. „Moldova-Agroindbank” S.A. – 55.11%, B.C. „Moldindconbank” S.A. – 99.05%, B.C. „Victoriabank” S.A. – 88.52%, and also B.C. „EXIMBANK-Gruppo Veneto Banca” with 57.00%. It should be mentioned that during the last 9 months B.C. „Victoriabank” S.A, reduced this indicator by 21.22 p.p. from 120.27%.

During the period January 2016 – September 2017, the average interest rates carried out by the commercial banks on loans and deposits decreased by 9.51 p.p. and 6.13 p.p., respectively, being situated at the level of 9.96% on new loans and 5.82% on new deposits. The much faster decline in interest rate on deposits against loans still points a downward trend which will discourage the population to put aside money. Although in February there was attested an increasing interest rate on deposits up to 6.68%, it was in the short term returning on a decreasing trend in the coming month.

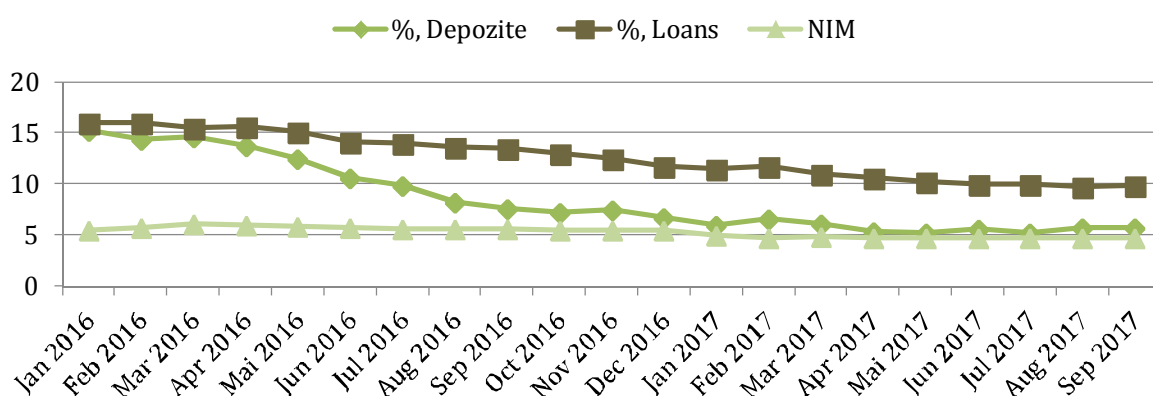


Figure 3.2.6. Development of net banking margin, average interest rates on new deposits and loans in MDL, %

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

During the 9 months of 2017, the growth trend of the balance of deposits continued in the banking sector. According to the NBM reports, these increased by 6.1 percent during the reference period amounting to 58178.8 mln. MDL. The deposits of individuals accounted for

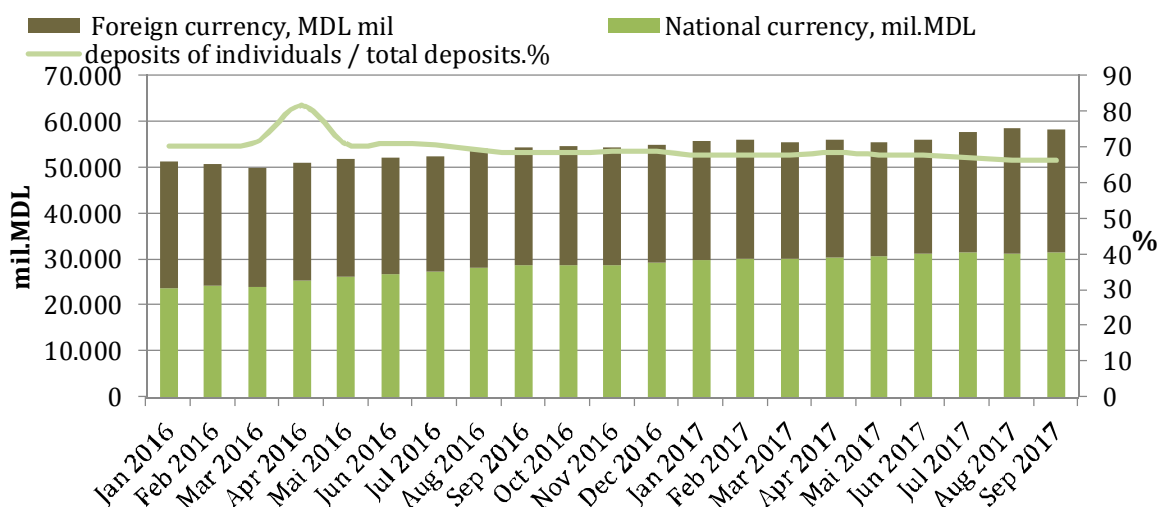


Figure 3.2.7. Development in the balance of deposits in banks, mln. MDL

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

66.19 percent of total deposits, deposits of legal entities – 33.6 percent and banks' deposits – 0.21 percent. The highest impact on the deposits' increase has had the growth of deposits of legal entities by 2068.79 MDL or 15.0%. The balance of deposits of individuals has also increased by 839.9 mln. MDL or 2.2%. At the same time, the balance of banks' deposits has decreased by 51.7 mln. MDL or 30.1%. Furthermore, the balance of deposits in lei continued also to rise during the 9 months of 2017 growing by 2055.87 mln. lei (7.0 percent) to 31423.5 mln. MDL, the balance of deposits in foreign currency has also increased – by 1.3 bln. lei (5.0 percent) to 26.8 bln. lei.

This increase is due to the growth of remittances and the lack of other savings instruments on the Moldovan financial market. At the same time, the growth in the balance of deposits of legal entities leads to the conclusion that the business is waiting for a change of the economic situation and is not investing choosing to hold the free funds in bank accounts to the detriment of funding some investment activities.

The problems in the banking system, previously identified are reflected by the financial result of the banks in the 9 months of 2017. In September, 2017, the bank's profit in the entire banking system amounted to 1417 mln. MDL, up by – 51.4 mln. MDL or 3.8% in comparison with the same period of the previous year. The increase in the profit is determined by the decrease in interest expenditures (from deposits) by 39.9 percent, decline of financial assets depreciation by 76.6 percent and increase of non-interest revenues by 5.4 percent (vastly from duties and commissions by 11.8 percent). There is also seen an increase of revenues from the primary activity of banks, the ratio between net interest revenue and total revenues reaching from 37.84% at the beginning of this year to 40.6% as of September 30, 2017. The weight growth of interest revenues in total revenues was also due to the rise in receipts of holding to maturity the state securities and not to the rise in receipts of loans.

Under the growth of revenues in absolute form there was also recorded a decrease in relative indicators of return – ROE and ROA by 3.3 p.p. and 0.5 p.p, respectively reaching the weight of 14.3% for return on equity and 2.4% for return on assets. The decrease of relative indicators was due to a faster growth in the volume of capital and assets than the growth rate of profits. However, only 40.4% of total revenues are provided by the financial intermediation activity confirming a low involvement of banks in funds redistribution activity and implicitly to the economic growth by providing the real economy with necessary resources.

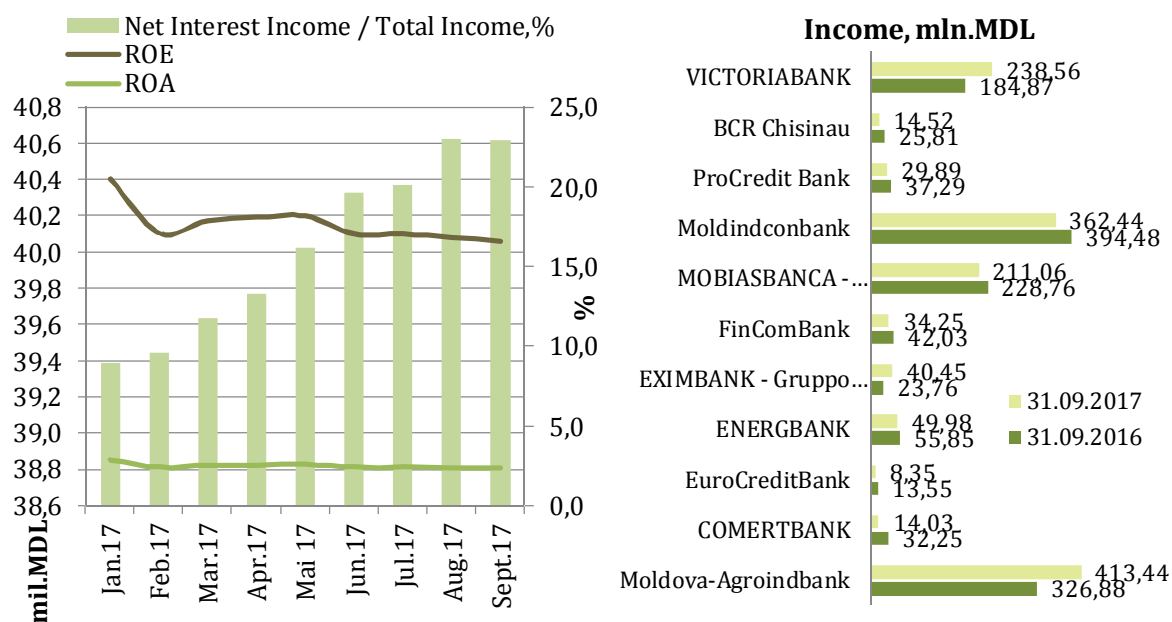


Figure 3.2.8. Development of banking return and profitability in 2016-2017

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

The analysis of each bank's contribution to the net profit formation of the banking system reveals that only 3 banks of 11 have registered an increase in the value of profits, the other banks recording a negative trend. Thus, compared to September 30, 2016 BC „MOLDOVA-AGROINDBANK” S.A. increased its profit by 86.6 mln. MDL or 26.48%, B.C. „EXIMBANK - Gruppo Veneto Banca” by 16.7 mln. MDL or 70.24% and B.C. „VICTORIABANK” S.A. by 53.7 mln. MDL or 29.04%. The highest decrease was registered by B.C. „BCR Chişinău” S.A by 11.3 mln. MDL or 43.74%, B.C. „COMERTBANK” S.A by 18.2 mln. MDL or 56.49% and B.C. „EuroCreditBank” S.A by 5.2 mln. MDL or 38.38%. It has to be noted that these banks, which are quite small are subject to the risk of decreasing the capacity to increase the own capital from internal resources.

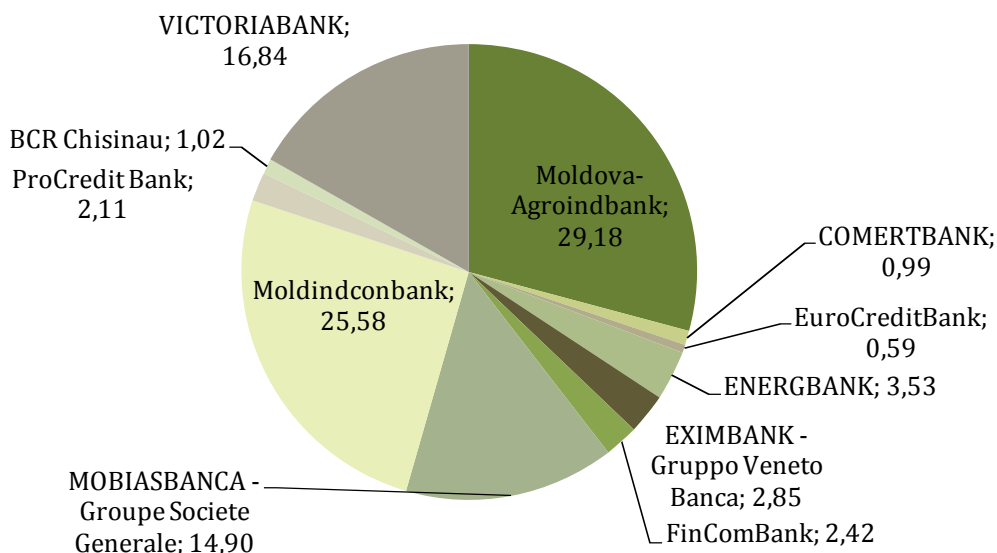


Figure 3.2.9. Contribution of banks to profit formation on September 30, 2017

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

The large banks have also recorded moderate declines, which had an increasing trend in the profit during the 9 months of 2017. Thus, BC „MOBIASBANCA-Groupe Societe Generale” S.A. declined its profit by 17.7 mln. MDL or 7.74%, BC „Moldindconbank” S.A., by 32.0 mln. MDL or 8.12% compared to the 9 months of 2016. Indeed, we mention that the value of profit during the financial year is less informative being adjusted with all seasonal growths and reductions by the end of the year. We hope that these banks will supply their non-profits during the year.

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

In the nine months of 2017, the banking sector in the region to the left of the Dniester River has recorded revival trends in the main activity indicators. During the analyzed period of 2017 the average annual growth rate of bank assets in Transnistrian region was situated on an upward trend amounting to a 23.2% increase sply or 1481.9 mln. rubles, forming the value of 7864.7 mln. Transnistrian rubles⁴ on September 30, 2017.

The balance of loans provided to the economic sector reached the amount of 4437.8 mln. Transnistrian rubles on September 30, 2017, by 403.0 mln. Transnistrian rubles more or by 9.9% against December 31, 2016. There is seen that the banking system in Transnistrian region faces the same problems as the banking system of the Republic of Moldova – the increase of assets from the liquidities and not from the loans account. During this period, the loans of individuals accounted for 876.3 mln. Transnistrian rubles, by 16.42% more against December

⁴ www.cbpmr.net

31, 2016 and loans provided to real sector totaled 3561.5 mln. Transnistrian rubles, by 279.4 mln. Transnistrian rubles more or by 8.51%. At the same time, it is attested a much higher growth rate of reductions for the losses on loans proving the increase in loan risk. Hence, the amount of reductions went up by 509.46 mln. Transnistrian rubles or 124.65%, reaching 918.17 mln. Transnistrian rubles.

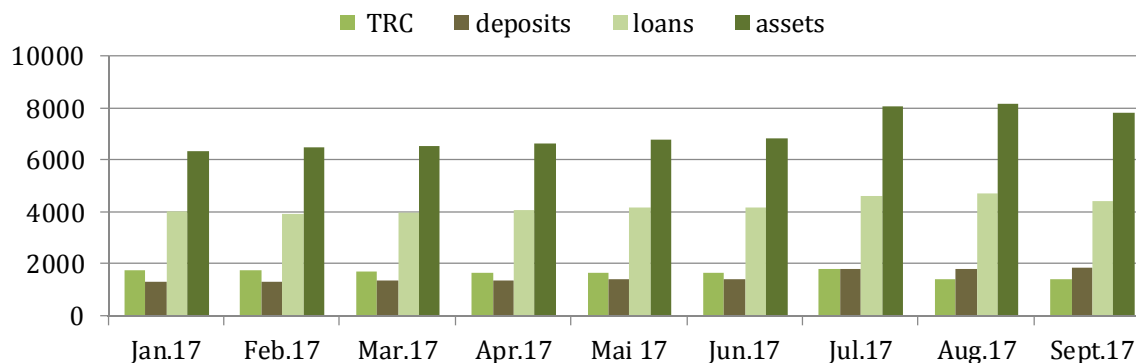


Figure 3.2.10. Annual growth rate of bank assets, deposits and loans in the region to the left of the Dniester River, %

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

At the same time, there is observed a decrease in the volume of own capital from 1759.8 mln. Transnistrian rubles to 1453.5 mln. Transnistrian rubles, by 306.3 mln. Transnistrian rubles or 17.41%. This is due to the reduction of bank capital of *ЗАО "Приднестровский Сбербанк"* bank by 256.8 mln. Transnistrian rubles or 29.63% and *ОАО "Эксимбанк"* by 44.63 mln. Transnistrian rubles or 34.25%.

On September 30, 2017 the balance of bank deposits from population accounted for 1858.6 mln. rubles, increasing by 41.52% or 545.3 mln. Transnistrian rubles compared to December 31, 2016. Due to the major discrepancies between the attracted deposits and volume of loans demanded by economy, the banks are forced to make greater efforts to attract funds on the interbank market. Thereby, the volume of attracted resources except those from population's deposits amounted to 6414.2 mln. rubles increasing by 1787.3 mln. rubles or 38.66%. In the case of the banking sector to the left of the Dniester River there is also an important problem regarding the transparency of the Transnistrian banks' shareholders and a major credit risk. The local banking sector is getting harder to face the foreign currency risk due to the depreciation of Transnistrian ruble.

Chapter IV

EXTERNAL SECTOR

Balance of payments

The degree of dependence of the national economy to outside still remains high. The current account of the balance of payments of the Republic of Moldova during January-September was up by 87.7% compared to the similar period of the last year. The current account of the balance of payment registered in January-September, 2017 a deficit of 532.56 mln.USD (of which 207.62 mln.USD – in quarter III 2017). The worsening of the current account was entirely caused by the increase in the deficit of external trade in goods, the other components recording rising surplus balances.

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

Year	2016			2017			Q.I-III 2017/ Q.I-III 2016 (%)
	Q. I	Q. II	Q. III	Q. I	Q. II	Q. III	
Current account	-91.58	-81.18	-111.01	-128.05	-196.17	-207.6	187.7
Goods	-463.38	537.24	-522.44	-522.44	-674.29	-689.8	122.1
Services	44.6	51.51	62.21	57.20	58.42	78.05	121.8
Primary revenues	85.3	129.24	102.31	101.60	140.32	123.76	116
Secondary revenues	241.9	275.3	269.23	236.11	277.51	280.4	101
Capital account	-6.98	-2.56	-1.71	-5.97	-6.47	-5.46	88.3
Financial account	-152.46	-32.33	-61.44	-45.28	-126.48	-129.4	122.6
Direct investment	-34.18	9.41	-66.7	-40.92	-27.45	-69.21	149.2
Portfolio investment	-0.12	-0.12	-0.04	-1.11	0.17	0.09	307.1
Financial derivatives	-0.20	-0.29	-0.10	-0.20	-0.25	0.18	45.8
Other investment	-102.42	-203.53	-276.48	-42.15	-203.19	-280.6	90.3
Reserve assets	-15.54	162.23	281.88	37.2	103.75	220.16	84.4
Remittances from abroad made in favour of individuals through licensed banks, net	223.9	279.59	294	251.77	299.9	320	9.3

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

During January-September 2017, the *balance of services* grew up to 192.87 mln. USD compared to January-September 2016. The increase of positive balance in the balance of services was due to the growth of exports by 15.7% and imports of services by 14.1%. A significant growth was registered for exports of travel services (by 23.1%), especially personal trips (20.9%), transport services (13.5%), especially air transport (25.2%) and IT services (62.5%). The increase in imports of services was also mainly due to the growth in imports of travel services (19.6%) and transport (14.8%).

Capital account during January-September recorded a negative balance of 17.88 mln. USD (of which -5.46 mln. USD in quarter III, 2017), determined by the capital outflows recorded in the private sector (28.04 mln. USD) and the inflows of external assistance received by public administration to fund the investment projects (10.16 mln. USD). The balances of the current account and capital account show that the national economy faced the necessity of external funding in the amount of 550.44 mln.USD, as a result of current and capital transactions of Moldovan residents living abroad.

Financial account during January-September amounted to 301.96 mln.USD (of which 129.44 mln. USD in quarter III 2017) as a result of net increase of the national economy's liabilities compared to foreign ones by 361.70 mln. USD as a result of the effective transactions while the external financial assets of the residents increased by 59.74 mln.USD.

Foreign direct investment

The international investment position of the Republic of Moldova continued its trend from the previous periods. In quarter III of 2017 the international investment position was increasing and amounted to 4201.41 mln. USD. The international investment position compared to the end of 2016 (FDI stock in 2016 amounted to 3548.32 mln. USD) was up by 18.3%.

During January-September of 2017, the increase in the debt balance of the international investment position in the ratio of 63.2% was due to the exchange rate fluctuations of the original currencies against US Dollar (-411.56 mln. USD), net effective transactions with non-residents (-301.96 mln. USD), price changes of financial instruments (-68.49 mln. USD) while other changes (131.17 mln. USD) have influenced the debt balance of position in the downward direction. All above-mentioned changes have resulted in a total deterioration of position of 650.84 mln. USD at the end of quarter III, 2017.

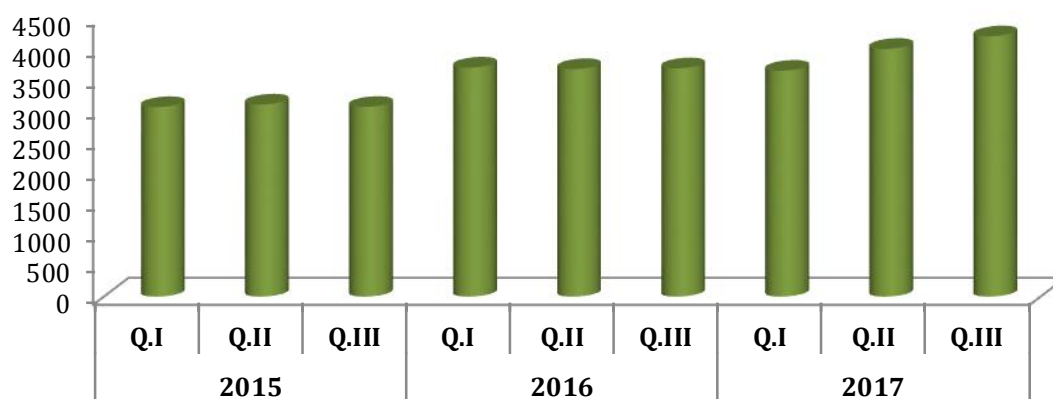


Figure 4.1. International investment position by quarters in 2015-2017, mln. USD

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

In Q III, 2017 the net inflows of direct investment amounted to 146.31 mln. USD, the appreciation of share price equated to 67.46 mln. USD, the development of exchange rates of original currencies against USD (especially of Moldovan leu) generated an appreciation of shares of 318.53 mln. USD (amounting to 59.3% of total stock dynamics) and other stock changes accounted for 453 mln. USD.

On September 30, 2017 in the geographical distribution of FDI of the total accumulated capital, the investors in the EU countries received a weight of 90.3%, the investors from CIS countries had a weight of 4.6%, those from other countries hold investment in the ratio of 5.1%.

The main investors are: the Netherlands, Spain, followed by France, Cyprus, Romania and Russia is only in sixth position. The Russia's fall in the first place, where it was almost two decades is due to the amendment in methodology of calculation of foreign investment.

The main economic activities benefiting from foreign investment of the FDI stock as equity capital are: financial and insurance activities 26.5% and manufacturing industry 25.9%. Other activities which attracted foreign investors were trade, energy industry, information and communications, transport and storage, real estate transactions.

Italy, followed by Cyprus, France, Romania, the Netherlands, Germany, Austria, Greece, Iraq and the USA were at the top of direct investment stock in the banking sector.

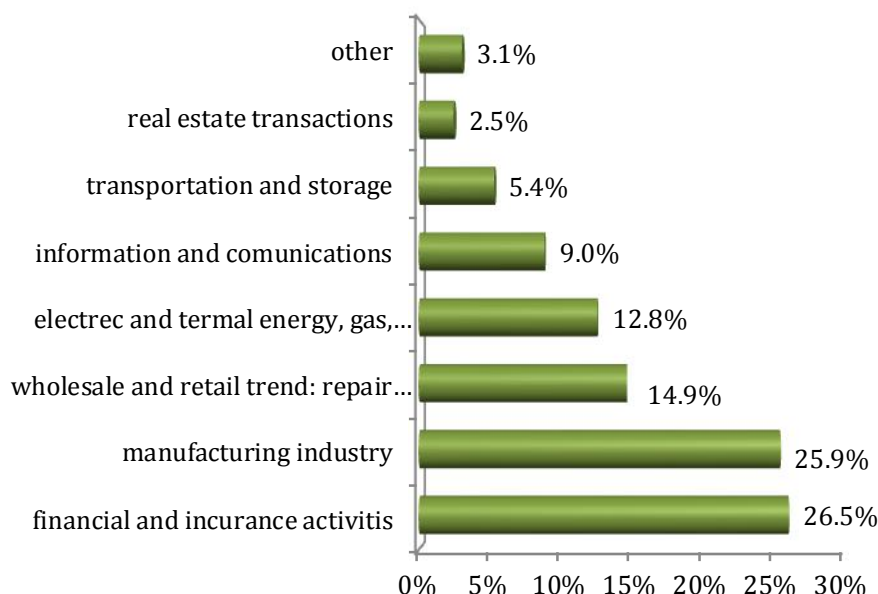


Figure 4.2. Distribution of FDI, equity capital accumulated on September 30, 2017, by activities

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

Remittances from abroad

In the first nine months of this year, the volume of remittances from abroad was increasing by 9.5% compared to the same period of 2016. The volume of remittances from abroad reached 870 mln. USD.

In quarter III of 2017, the volume of remittances from abroad reached 320.52 mln. USD by 9.2% more compared to the reference period of the previous year or by 27 mln. USD. In September, the remittances exceeded 109 mln. USD, up by 9.4% compared to the same month of the last year.

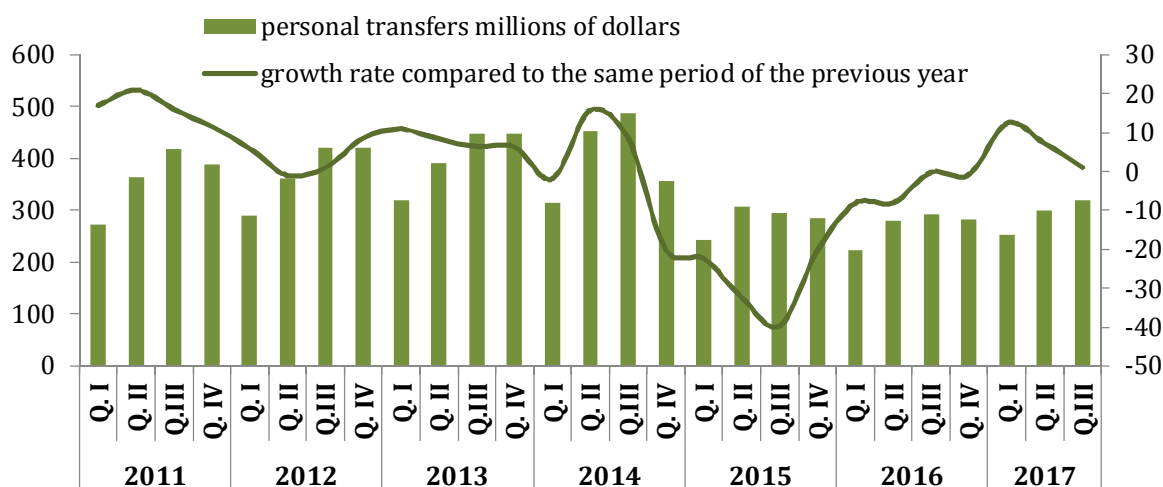


Figure 4.3. Remittances from abroad made in favour of individuals through Moldovan banks by quarters during 2011-2017, mln. USD

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

According to the geographical origin, in quarter III of 2017, the most remittances are from CIS – 36.5% and EU – 34.5%. The remittances from other countries amounted to 29%. Most money (85.3%) were transferred through remittance systems (in US dollars, euro and Russian rubles).

Of total remittances from CIS, the remittances from Russia hold a weight of 96.2%. The remittances from other CIS countries have the following weights: Ukraine – 1.2%, Kazakhstan – 0.9%, Belarus – 0.5%, Azerbaijan – 0.4%, Uzbekistan – 0.3% and the rest of CIS countries – 0.5%.

In the case of remittances from EU, the remittances from Italy have the highest weight, of 34.2%, followed by remittances from the United Kingdom of Great Britain and Northern Ireland (14.3%), Germany (14.3%), France (8.1%), Spain (3.3%), Poland (3.3%), Ireland (2.8%), the Czech Republic (2.6%), Portugal (2.5%), Romania (2.4%), Belgium (1.9%), Cyprus (1.7%) and Greece (1.2%).

By countries distribution, the Russian Federation places at the top, with a weight of 35.1% of total remittances (112.35 mln. USD). The second position is occupied by the remittances from Israel, with a weight of 15.7% (50.41 mln. USD), and the third position – Italy, with 11.8% (37.81 mln. USD). It should be mentioned that 98.8% of total remittances from the Russian Federation were made through remittance systems. The remittances from the USA had a weight of 7.7% of total remittances, the United Kingdom of Great Britain and Northern Ireland holds 4.9%, Germany holds a weight of 4.9%, France – 2.8%, Turkey – 1.2%, Poland – 1.1%, Spain – 1.1%, Portugal – 0.9%, the Czech Republic – 0.9%, Romania – 0.8%, Belgium – 0.6%, the United Arab Emirates – 0.6%, Cyprus – 0.6%, Canada – 0.5%, Ukraine – 0.4% and Kazakhstan – 0.3%.

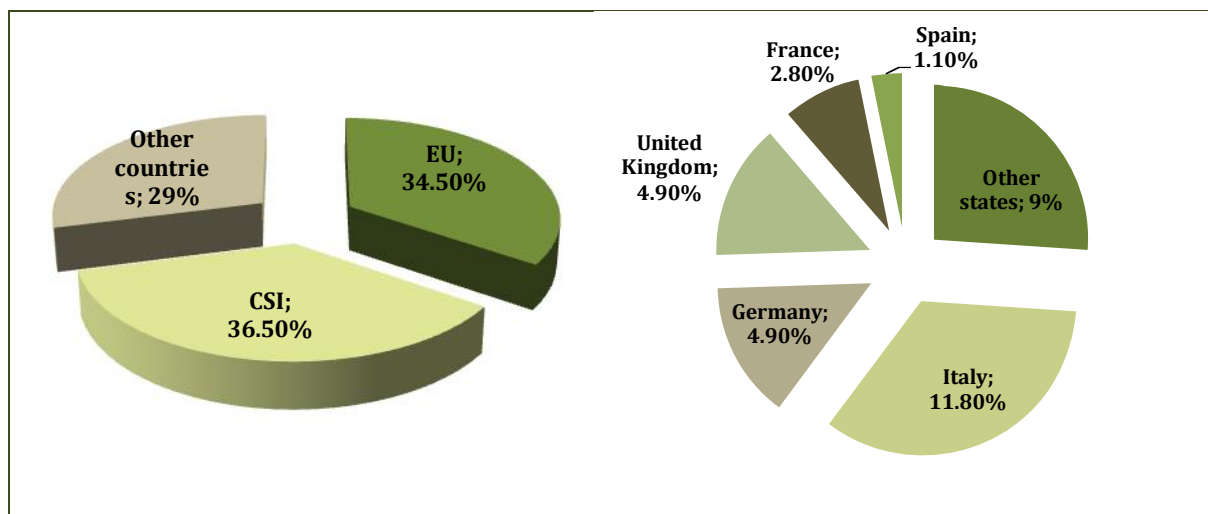


Figure 4.4. Remittances from abroad made in favour of individuals, by countries distribution, quarter III, 2017

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

Foreign trade in goods

During January-September, 2017 the foreign trade in goods increased by 17.6%, compared to the similar period of the previous year (in Jan-Sept, 2016 the trade accounted for 4327.8 mln. USD). Thus, the foreign trade in goods was 5090.5 mln. USD (by 762.7 mln. USD more). During January-September, 2017 the development of foreign trade in goods was influenced by the economic situation in the region, change in world food prices and energy resources as well as the appreciation of national currency. Internally, there is maintained the domination of products necessary for a functional economy and those for the consumption of population. Also, one of the main factors which had an impact on the external trade was the essential growth in the volume of agricultural production in 2016.

In January-September 2017, the exports of goods totaled 1651.8 mln. USD increasing by 15.3%, the imports amounted to 3438.7 mln.USD and rose by 19.4%, compared to the same period of the previous year.

Table 4.2. Dynamics of trade exchanges in January-September 2016-2017, mln. USD

	Jan.-Sept. 2016	Jan.-Sept. 2017	Dynamics 2017/2016
	mln. USD	mln. USD	%
Foreign trade in goods	4327.8	5090.5	17.6
Export	1432.7	1651.8	15.3
<i>Including:</i>			
<i>EU countries</i>	914.6	1066.7	16.6
<i>CIS countries</i>	300.9	336.3	11.8
<i>Other countries</i>	217.2	248.8	14.5
Import	2895.1	3438.7	18.8
<i>Including:</i>			
<i>EU countries</i>	1435	1713.7	19.4
<i>CIS countries</i>	729.1	850.5	16.7
<i>Other countries</i>	731	874.5	19.6
Balance of trade	1462.5	1787	22.2
Degree of imports coverage by exports	49.8%	48.2%	-

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

During January-September 2017, the considerable gap between the development of exports and imports led to the accumulation of *the balance of trade deficit* to the tune of 1787 mln. USD, by 324.5 mln. USD (22.2%) higher compared to the same period of 2016. The balance of trade with EU countries ended in a deficit of 647.1 mln. USD (in January-September 2016 – 520.7 mln. USD), and with CIS countries – 514.2 mln. USD (in January-September 2016 – 428.3 mln. USD). The balance of trade deficit in September 2017 was 206.7 mln.USD, by 15.1 mln.USD (-6.8%) lower, against that recorded in August 2017 and by 38.7 mln.USD (+23%) higher compared to September 2016.

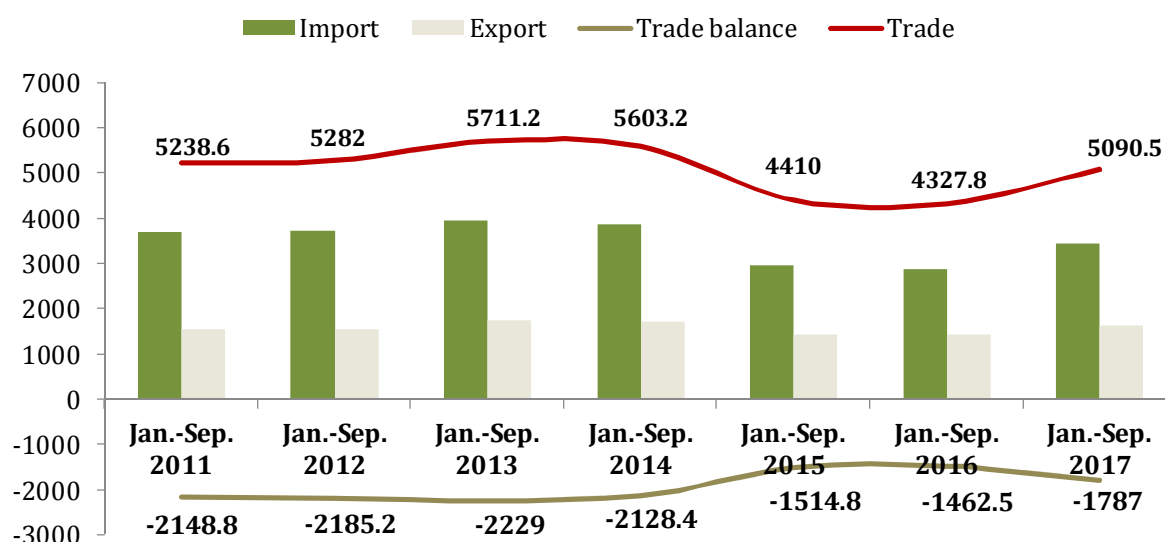


Figure 4.5. Trends of external trade in goods

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

Degree of imports coverage by exports in January-September 2017 was 48%, compared to 49.5% during the respective period of 2016.

The exports of goods in January-September, 2017 was up by 15.3%, a higher volume compared to that from the same period of 2016. The exports of goods amounted to 1651.8 mln. USD. The exports of goods from September 2017 totaled 224.1 mln.USD, by 7.8% more compared to the previous month and by 15.8% – compared to September, 2016. **The exports of domestic goods** accounted for 1070.8 mln.USD, about 65% of total exports, up by 17.2% compared to January-September 2016, which contributed to the increase in total exports by 11%.

The re-exports of foreign goods totaled 581 mln. USD (35.2% of total exports), growing by 11.9% compared to January-September 2016. The re-exports of goods after processing (clothing, footwear and parts of shoes, chairs, wires and electricity cables) held 23.5% in total exports and the re-exports of classical goods did not experience essential transformations (drugs, fibres, knitted or crocheted fabrics, furniture, essential oils, toilet preparations, cosmetics, fuels, vehicles) – 11.7%.

The exports of goods aimed to EU countries were increasing by 16.6% compared to the same period of the last year and held a weight of 64.6% in total exports (63.8% – in January-September 2016). The total volume of exports of goods aimed to EU countries amounted to 1066.6 mln.USD. **CIS countries** had a weight of 20.4% **in Moldovan exports** (21% – in January-September 2016). The volume of exports to CIS countries equated to 336.4 mln.USD, up by 11.8%, in comparison with January-September 2016.

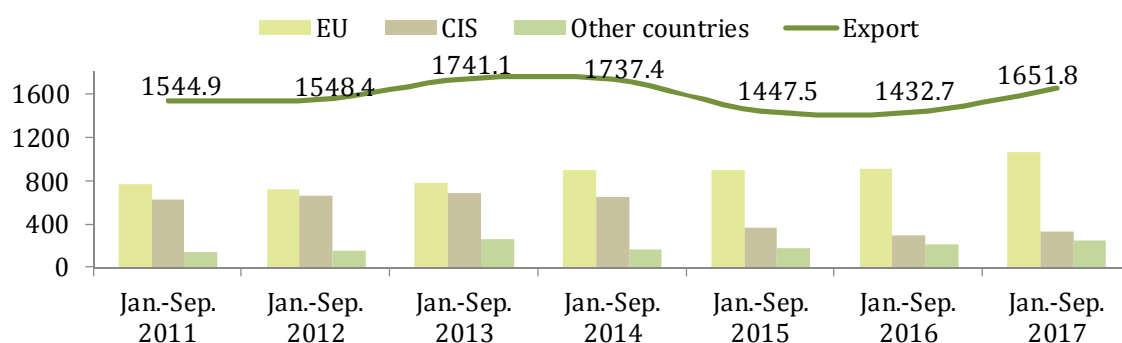


Figure 4.6. Structure of exports by groups of countries

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

Analyzing the **development of exports by countries** during January-September, 2017 we see an increase of exports in Romania (15.6%), Turkey (45.8%), Germany (20.6%), Italy (11.9%), the Russian Federation (8.8%), Bulgaria (30.3%), Ukraine (35%), Spain (by 3.8 times), Poland (19.7%), Austria (43.3%), the United Kingdom of Great Britain and Northern Ireland (6.9%), Greece (28.2%), Belarus (5.6%), Serbia (by 3 times), Cyprus (by 2.5 times), Kazakhstan (31.8%), Hungary (by 1.6 times), Belgium (32%), Saudi Arabia (by 2.9 times), Slovakia (34.3%), Georgia (15.1%), Canada (by 1.9 times), Vietnam (by 2.4 times) and the United Arab Emirates (by 3.1 times), which favoured the increase in total exports by 15.6% compared to the similar period of 2016. At the same time, there were recorded reductions in the deliveries to Iraq (52.6%), Israel (54.1%), Egypt (70.6%), the Netherlands (13.5%), Malaysia (27.6%), Switzerland (8.5%), Lebanon (24.3%), India (69.3%) and Jordan (44.7%).

The development of exports by groups of goods registered increases on: machinery and electrical equipment (31.8%), oil seeds and oleaginous fruits (31.4%), fruits and vegetables (22.2%), clothing and accessories (8.6%), medicinal and pharmaceutical products (50.4%), alcoholic and non-alcoholic beverages (10.1%), cereals and cereal preparations (8.8%), petroleum, fuel and related products (by 2.8 times), furniture and its parts (6%), organic chemicals (46.2%), yarns, fabrics and textile items (+8.5%), raw and processed tobacco (46.8%),

metal minerals and wastes (+38.5%), pre-fabricated constructions; other installations and accessories (by 1.8 times), meat and meat products (by 1.6 times), footwear (12.6%), natural fertilizers and minerals (48.7%), milk products and eggs (15.9%), road vehicles (9.6%), coffee, tea, cacao, spicery and its substitute goods (25.7%) which contributed to the increase in total exports by 15.6% during January-September, 2017 compared to the same period of 2016.

At the same time *there were registered decrements in exports* of processed rubber (84%), essential oils and aromatic substances, (21%), non-metallic mineral products (13.5%), processed metal products (10.8%), sugar, sugar preparations; honey (6.5%), livestock (26.9%), travel goods; bags and similar (16%), office or automatic data processing machines and equipments (70.1%).

The imports of goods made during January-September 2017 increased by 18.8% in comparison with the same period of the previous year. The volume of imports of goods amounted to 3438.8 mln.USD. In September 2017, the imports of goods totaled 430.8 mln.USD, by 0.3% more compared to previous month and by 19.1% – compared to September 2016.

The volume of imports of goods from EU countries during January-September held a weight of 49.8% in total imports (49.6% – in January-September 2016). The imports of goods from EU countries accounted for 1713.7 mln.USD (by 19.4% more against January-September 2016). The imports of goods from *CIS countries* amounted to 850.6 mln.USD (by 16.7% more than in January-September 2016), with a weight of 24.7% in total imports (25.2% – in January-September 2016).

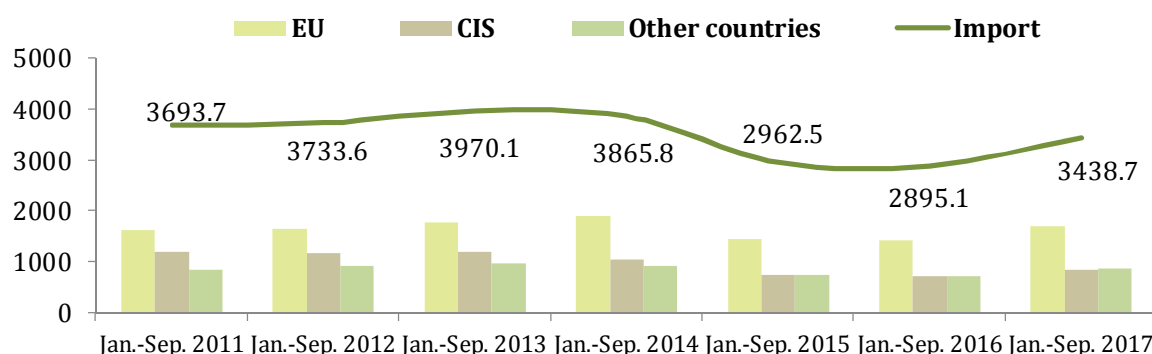


Figure 4.7. Dynamics of imports by groups of countries

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

The imports from other countries in January-September 2017 registered an increase in total imports by 18.5%, compared to the similar period of 2016. The most significant imports were from Romania (25.1%), Ukraine (34.3%), China (26.3%), Germany (21.2%), Italy (16.9%), Poland (24.2%), Turkey (9.4%), France (23.6%), the United States of America (36%), the Russian Federation (3.8%), Hungary (22.5%), Vietnam (by 1.8 times), Belarus (15.5%), Bulgaria (24.8%), the Czech Republic (21.8%), Spain (20.5%), Belgium (20.5%), Japan (18.9%), Greece (26.4%), Egypt (by 2.2 times), Slovakia (26.1%), the Netherlands (9.9%), South Korea (16.4%), Taiwan, Province of China (25.3%), India (15.5%) and Denmark (31.6%). At the same time, the deliveries from the United Kingdom of Great Britain and Northern Ireland (8.6%) and Israel (27.3%) have reduced.

During January-September 2017, compared to the same period of 2016, *there were registered increases in imports of* petroleum, fuel products (27.4%), electricity (by 192.6 times), medicinal and pharmaceutical products (29.6%), machinery, electrical equipment and their parts (16.3%), road vehicles (18.5%), industrial machinery and appliances (26.8%), clothing and accessories (31.3%), specialized machinery and appliances for specific industries (21.8%), non-

ferrous metals (47.1%), yarns, fabrics and textile items (8.9%), footwear (by 1.7 times), iron and steel (14.7%), mineral or chemical fertilizers (25.8%), non-metallic mineral products (13.1%), coal, coke and briquettes (by 2.5 times), milk products and eggs (32.6%), sugar, sugar preparations; honey (52.2%), processed metal items (9.7%), travel goods (by 3.2 times), processed plastics (12.2%), meat and meat products (40.4%), wood products (18%), office or automatic data processing machines and equipments (31%), professional, scientific and control apparatus and appliances (23.6%), fruits and vegetables (7.7%), cereals and cereal preparations (11.4%), pre-fabricated constructions (20.3%), paper, cardboard and cellulose items (7.8%), wood and cork (22.3%), fats and vegetable oils (by 1.7 times), plastics in primary forms (11.6%), alcoholic and non-alcoholic beverages (10%), animal feed (15.9%), furniture and its parts (10.2%), coffee, tea, cacao, spicery (9.4%), raw and processed tobacco (6.3%), organic chemicals (21.0%), power generating machines and their equipments (29.4%), thus facilitating the increase in total imports by 17.9%. At the same time, the imports of gas and industrial gas products (14.1%), processed rubber (9.8%) decreased.

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

The foreign trade of Transnistrian region in January-September, 2017 recorded an increase of 9.5%, compared to the same period of the last year. The foreign trade of Transnistrian region amounted to 1105.2 mln.USD. Both the exports and the imports increased compared to the similar period of the previous year. The exports of goods rose by 12.8%, and the imports by 7.9%. **The balance of trade** accounted for 227.2 mln.USD.

The exports of goods during January-September 2017 amounted to 439 mln.USD. Compared to the same period of the previous year, the exports increased by 12.8%. More than a third of exports are metals and metal products – 146.4 mln.USD (by 2.1 times), followed by fuels and energy products 76.2 mln.USD (-44.2%), this is the electricity delivered to Moldova. The food products and raw materials are the third element of exports – 67.3 mln.USD (+ 30.7%).

The imports of goods amounted to 666.2 mln.USD. Compared to the same period of the last year, the imports of goods rose by 7.4%. The import is dominated by fuel and energy resources (fuel products from Russia, especially gases) – 234.5 mln.USD (-23.2%), metals, as a rule old iron for metallurgical plant 110.2 mln.USD (by 2.8 times), and food products – 83.8 mln.USD (+ 21.3%).

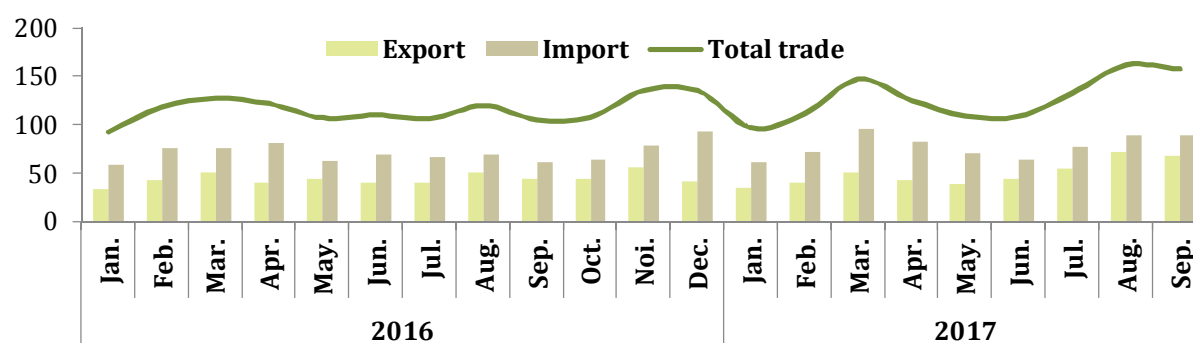


Figure 4.8. Dynamics of external trade in Transnistrian Region in January-September 2016 - 2017, mln. USD

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

The exports of goods to CIS countries amounted to 270.4 mln.USD, increasing by 7.9% against the similar period of the last year. **The imports of goods** to these countries accounted for 489.6 mln. USD, by 4.2 % more in comparison with the same period of the last year. The main partner of Transnistria is the Russian Federation, the value of exported products was 48.4 mln. USD, up

by 52.1%. The best selling products are from light industry, electrical equipments, fruits and vegetables, alcoholic beverages. Fuels, raw materials and materials as well as appliances, food products were imported from the Russian Federation.

The exports to non-CIS countries totaled 168.7 mln. USD (38.4% of total volume), up by 21.4% against the last year. The main partner is Romania, the value of exported goods amounted to 71.6 mln. USD, rising by 35.9% against the same period of the previous year. The main exported goods are textiles, footwear, clothing, metal products, alcoholic products, cereals and other agricultural products. *The imports from non-CIS countries* constituted 176.6 mln. USD, (26.5% of total volume), more by 17.3% compared to the same period of the previous year.

During January-September 2017, Transnistrian region made external trade transactions with 83 countries (in January-September 2016 with 84 countries) including 10 CIS countries. Both the exports and the imports to CIS countries registered a positive trend of 7.9% and 4.2%, respectively. The main trading partners of Transnistrian region, during January-September 2017 on export operations were:

- The Republic of Moldova (31.4% of total exports or 138 mln.USD (-21.6% compared with the similar period of the last year). The main exported commodity on this line is electricity (57%). Additionally, the mineral products (including cement) 17.8%, metals and their products 12.9%, food products and raw material 9.9% are a significant part in exports. All of the above-mentioned elements, excepting fuel products and energy products registered increases;
- Ukraine (18.2% of total exports or 79.7 mln. USD (+97.1%)). Most exports were goods and raw materials (46.9%), metals and their products (44%), and goods from light industry (4.4%).
- Romania (16% of total exports or 71.6 mln.USD (+ 35.9%)). The main category of goods was the delivery of metals and their products (96.7%), their value rose by 40.1% in absolute terms;
- The Russian Federation (10.8% of the aggregate value or 48.4 mln.USD, which is by 52.1% higher than the base figure). The main groups of export delivered in the country were: machine building products (33.9%), goods from light industry (26.2%), metals and their products (19.7%). All structural components have risen;
- Italy (6.6%, or 29.8 mln.USD (-3%)) and Germany (4.5%, or 20.2 mln.USD (-14.1%) of total exports). The main elements of Transnistrian exports to these countries are goods from light industry, representing about 98%.

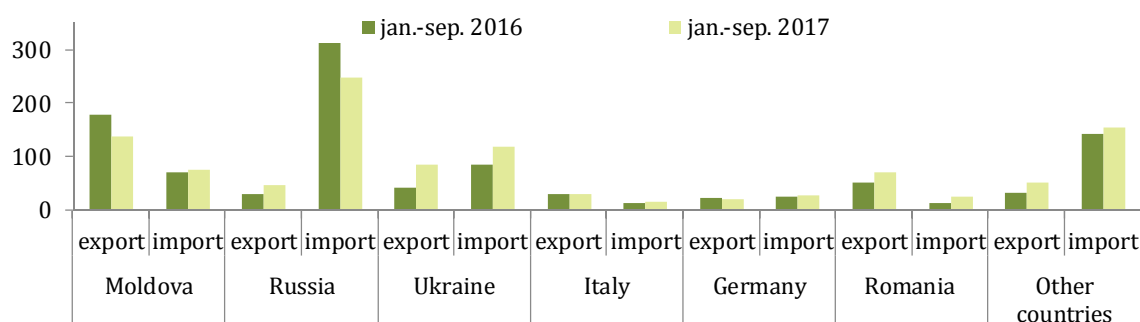


Figure 4.9. Dynamics of external trade in Transnistrian region by main groups of countries during the period January-September, 2016 – 2017, mln. USD

Source: According to the data, <http://mer.gospmr.org/gosudarstvennaya-sluzhba-statistiki/informacziya/o-soczialno-ekonomicheskom-polozhenii-pmr.html>

Chapter V

BUSINESS ENVIRONMENT

Moldova in Global Competitiveness Report (2017-2018)

The Global Competitiveness Report is annually published by the World Economic Forum and measures the country's competitiveness, in such a way compiling the world's ranking.

The Global Competitiveness Index which is defined by 12 core components, is used for the comparative assessment of countries' competitiveness. These are divided into 3 pillars:

1. Basic requirements – „Institutions”, „Infrastructure”, „Macroeconomic environment”, „Health and primary education”;
2. Efficiency enhancers – „Higher education and training”, „Goods market efficiency”, „Labor market efficiency”, „Financial market development”, „Technological readiness”, „Market size”;
3. Innovation and sophistication factors – „Innovation” and „Business sophistication”.

During 2017-2018, the Republic of Moldova ranked 89th out of 137 countries according to the Global Competitiveness Report. Our country advanced 11 positions compared to the previous year, recording one of the biggest leaps in recent years.

However, analyzing the position of the Republic of Moldova in the ranking over a longer period of time (since 2010-2011), it should be mentioned that our country occupied a similar or even a better position in some cases in the previous years too: 2012-2013 – 87th position of 144 countries, 2013-2014 – 89th position of 148 countries, 2014-2015 – 82nd position of 144 countries, 2015-2016 – 84th position of 140 countries. In particular, it is worth to highlight the period 2014-2015 and 2015-2016, when the Republic of Moldova registered practically a more favourable position taking into account more countries in the ranking (Fig. 5.1.).

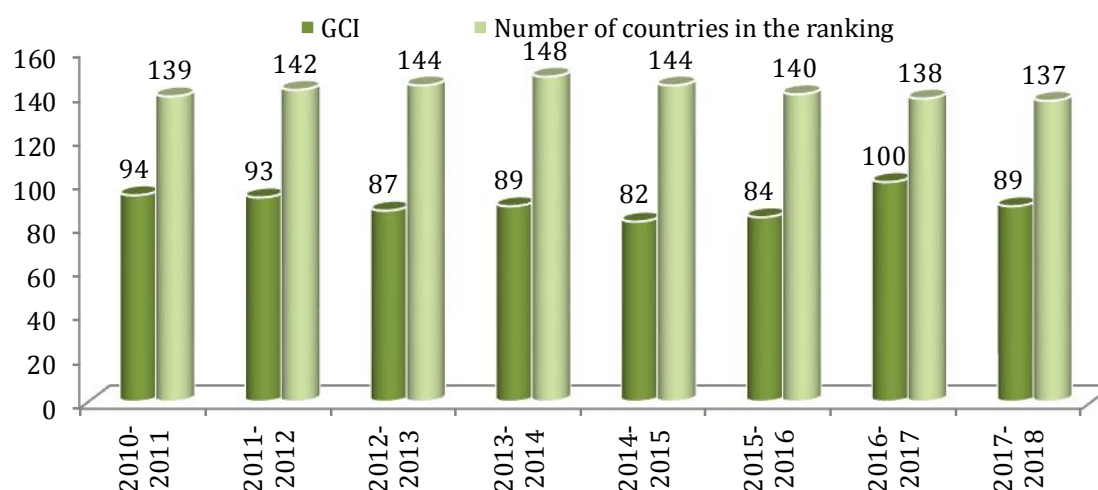


Figure 5.1. Position of the Republic of Moldova in Global Competitiveness Index in dynamics, 2010 – 2018

Source: The Global Competitiveness Reports 2010-2011; 2017-2018.

It is important to accentuate that our country has improved its result by 11 positions in the ranking in 2017-2018 as compared with last year, however it has to be analyzed in the context of a considerable decrease (worsening of the situation) of 16 positions of the Republic of Moldova during

the previous period: 2016-2017 against 2015-2016. Thus, if we compare the development of the Moldova's position in 2017-2018 against 2015-2016, then we notice a worsening of 5 positions.

In the Global Competitiveness Report 2017-2018, the Republic of Moldova had better positions in the following pillars (Table 5.1.):

- *Technological readiness* (53rd position),
- *Higher education and training* (83rd position),
- *Macroeconomic environment* (81st position).

During 2017-2018, as in the previous years, the Republic of Moldova ranked the lowest positions in the following indicators:

- *Innovation* (128th position),
- *Financial market development* (124th position),
- *Institutions* (119th position),
- *Business sophistication* (120th position) and
- *Market size* (120th position).

Table 5.1. Position of Moldova in Global Competitiveness Index Ranking, 2016-2017 and 2017-2018

Pillars	2016-2017	2017-2018	Change 2017-2018/2016-2017
Total, including	100	89	↑+11
Basic requirements			
Institutions	128	119	↑+9
Infrastructure	86	88	↓-2
Macroeconomic environment	100	81	↑+19
Health and primary education	95	97	↓-2
Efficiency enhancers			
Higher education and training	91	83	↑+8
Goods market efficiency	107	97	↑+10
Labor market efficiency	91	94	↓-3
Financial market development	129	124	↑+5
Technological readiness	58	53	↑+5
Market size	124	120	↑+4
Innovation and sophistication factors			
Business sophistication	127	120	↑+7
Innovation	133	128	↑+5
Number of ranked countries	138	137	

Source: The Global Competitiveness Reports 2016-2017; 2017-2018.

During 2017-2018 against the previous period (2016-2017), the Republic of Moldova registered **positive developments in the main pillars:**

- *Institutions* (an improvement by 9 positions);
- *Macroeconomic environment* (an improvement by 19 positions) – this development being determined by the position growth in the indicators (*Gross national savings % GDP*) (+13 positions); (*Inflation, annual % change*) (+20 positions); (*General government debt, % GDP*) (+13 positions); (*Country credit rating 0-100*) (*best*) (+4 positions);
- *Higher education and training* (an improvement by 8 positions);
- *Goods market efficiency* (an improvement by 10 positions);
- *Financial market development* (an improvement by 5 positions);
- *Technological readiness* (an improvement by 5 positions);
- *Market size* (+4 positions);
- *Business sophistication* (+7 position);
- *Innovation* (+5 positions).

It should be noted, that during the previous period (2016-2017 against 2015-2016), the improvements in the ranking of this year are rather a "return" of positions from the previous years (2015-2016) against the worsening of positions of most of these pillars.

During this period (2017-2018) 3 pillars marked negative developments against the previous period: *Infrastructure* (a decline by 2 positions), *Health and primary education* (a decrease by 2 positions), *Labor market efficiency* (a decrement by 3 positions).

According to the Global Competitiveness Report 2017-2018, Moldova is lagging behind many countries in the region: Georgia (67), Romania (68), Ukraine (81), Serbia (78).

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

During January-June 2017 in the region to the left of the Dniester River, 3771 enterprises were included in the small business. I S I, 2017 in the small business sector, there were 18.976 employees, up by 0.4% sply including small and micro enterprises (except for individuals). During this period, the following economic sectors register a decreasing trend in the number of employees (a decrease of -1.1% in Industry, -3.2% in Transport, -15.8% in Communications, -6.0% in Constructions, -1.4% Trade and food service, -4.0% in Real estate operations, etc.).

At the same time, during the analyzed period (January-June 2017) several economic sectors mark a growing trend in the average number of employees. Here there are included Agriculture, General trade activity, Logistics and distribution, Health and social insurance, Education, culture and art, Recreation and tourism, which recorded an increase in the average number of employees sply (Table 5.2.).

Table 5.2. Data on average number of employees in small business sector enterprises⁵, including small and micro enterprises (without individuals) from the left of the Dniester by types of activity, in January-June 2017

	January-June 2017, pers.	January-June 2016, pers.	Indices, %
Total	18976	18892	100.4
Industry	2993	3027	98.9
Agriculture	2253	2066	109.1
Transport	839	867	96.8
Communications	80	95	84.2
Constructions	1835	1953	94.0
Trade and food service	6949	7047	98.6
Logistics and distribution	42	40	105.0
Real estate operations	856	892	96.0
General trade activity	454	305	148.9
Publishing	99	100	99.0
Housing and utility services household	498	508	98.0
Health and social insurance	249	235	106.0
Education	248	242	102.5
Culture and art	128	121	105.8
Recreation and tourism	473	425	111.3
Other branches	394	411	95.9

Source: « Main indicators of small businesses activities, including micro and small enterprises (without individuals), for January - June 2017»

⁵ Data are provided for the small business sector, including small and micro-enterprises, with the average, with the average number of employees of up to 50 persons and an annual turnover of up to 1200000 RU MZP (calculated level of minimum wage)1 RU MZP make up 12,7 Transnistrian rubles (2015)

Chapter VI

SOCIAL SECTOR

Demographic situation

In quarter III of 2017, the values of several indicators of natural movement, such as: number of live births, deaths, marriages, divorces have reduced. The decrease in the number of live births was higher compared to the decrease in the number of deaths. The decrement in the number of divorces was also higher compared to the decline in the number of marriages. The natural decrease of population has accentuated and became the most pronounced in the last 7 years (Q III).

In quarter III of 2017, the total number of live births in the country amounted to 26049 pers., declining by 7.8% compared to the same period of the previous year, the birth rate was 9.8 live births per 1000 inhabitants, down by 0.8 p.p. compared to s.p.l.y. according to the data of the NBS. The number of deaths accounted for 27585 pers., recording a decrease of 3.6% compared to s.p.l.y. and mortality rate reached 10.4 deaths per 1000 inhabitants, down by 0.4 p.p. compared to s.p.l.y. The number of deaths of children aged under 1 year, in quarter III of 2017 amounted to 251 cases reducing by 5 cases compared to the similar period of the last year. The natural decrease in quarter III, 2017 numbered -1536 persons (-362 persons in the same quarter of the previous year) or -0.6 persons per 1000 inhabitants (-0.2 persons per 1000 inhabitants in the similar quarter of the last year). In quarter III, 2017 the natural decrease has accentuated compared to quarter III, 2016 and became the most pronounced in the last 7 years.

The total number of *marriages* in the country, in Q III of 2017 amounted to 16366, declining by 3.0% against the same period of the last year and marriage rate equated to 6.1 marriages per 1000 inhabitants reducing by 0.2 p.p. compared to s.p.l.y. In the case of divorces in the country, this indicator reached 6978, declining by 12.3% compared to the same period of the previous year. The divorce rate amounted to 2.6 divorces per 1000 inhabitants, by 0.4 p.p. less than in the s.p.l.y.

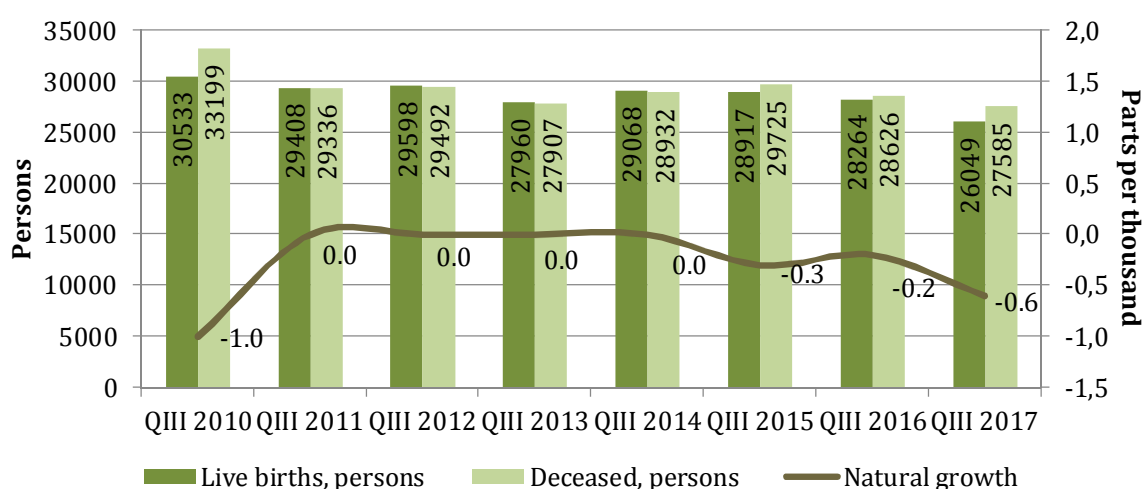


Figure 6.1. Natural movement of population in quarter III in 2010-2017

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

Regarding domestic migration determined by the relocation in Q III of 2017, the total number of arrivals/departures within the country amounted to 23335 persons, by 3.0% less than s.p.l.y.

14268 of these were arrivals in urban area, by 4.0% more than in the s.p.l.y. and 9067 arrivals – in rural area (by 12.4% less than in the s.p.l.y.). 10029 of total number of departures were from urban area (by 3.2% more than in the s.p.l.y.) and 13306 – from rural area (by 7.3% less than in the s.p.l.y.). The highest weight of arrivals was in urban area (61.1%), and departures – from rural area (57.0%). The highest part of population leaving the rural area are young people aged between 15 and 34 years old (61.2%), and the highest weight of population leaving the urban areas is the population aged between 15 and 34 years old (46.4%). The young people aged between 15 and 34 years old hold also the highest weights of arrivals (52.3% – in urban areas, 52.8% – in rural areas).

With respect to labour migration, in Q III of 2017, 351.0 thousand persons emigrated out of the country, by 1.2% more than in the s.p.l.y. Most of these people are men (67.8%). 73.2 thousand men emigrated from urban areas (by 6.4% less than in the s.p.l.y.), and 164.8 thousand – from rural areas (by 4.1% more than s.p.l.y.). 28.7 thousand women emigrated from urban areas (by 14.4% more than s.p.l.y.), and 84.2 thousand – from rural areas (by 1.3% less than in the s.p.l.y.). Among the men abroad, the highest part of them (43.1%) were between 25 and 34 years old. Among the women abroad, 28.7% were between 25 and 34 years old, 24.2% – between 35 and 44 years old, 22.8% – between 45 and 54 years old.

Labour market

In Q III of 2017, the indicators on economic activity of labour such as economically active population, employed population, activity rate, employment rate have reduced compared to the similar period of the previous year while the number of unemployed and unemployment rate have increased. The NEET group had a weight of 29.1% of population aged 15-29 years. People who do not want to work amount to 78.1% of inactive population (aged 15 and over), which is 56.1% of total population of this age group.

In quarter III, 2017 the economically active population amounted to 1308.7 thousand pers., reducing by 2.1% or by 28.3 thousand persons compared to the respective quarter of the previous year. At the same time, the employment rate of population was 43.9%, declining by 0.9 p.p. compared to s.p.l.y. Among economically active population there were not recorded significant disparities between men (50.4%) and women (49.6%), while in terms of area there are more significant differences, the activity rate being higher in rural area (54.9%) than in urban one (45.1%).

In the age group of 15-29 years, the activity rate of economically active population amounted to 31.6%, and in the group of 15-64 years – 48.5%. The economic activity rate of working age population (according to national legislation: 16-56 years – women and 16-61 years – men) amounted to 51.2%.

Employed population was 1264.1 thousand persons in Q III of 2017, declining by 2.6% s.p.l.y. As in the case of economically active population there were no disparities by gender – men – 50.2% and women – 49.8%. The weight of employed population in urban area was lower compared to rural one: in urban areas – 44.0%, in rural areas – 56.0%.

Employment rate of population aged 15 and over reached 42.4%, declining slightly against the level from the same period of the previous year (43.5%). This was higher for men – 45.2% than women (39.9%). By distribution of residence area, the employment rate in urban area was – 42.4%, exceeding slightly that in rural one – 42.3%. The employment rate of working age population (16-56/61 years) accounted for 49.3%, of people aged 15-64 years old – 46.8%, and in the age group of 15-29 years – 29.1%.

The number of unemployed, amounted to 44.6 thousand pers., by 15.2% higher than s.p.l.y. (38.7 thousand) according to the International Labour Office. The unemployment was higher among men – 55.3% of total unemployed as well as among people in urban areas – 77.3%.

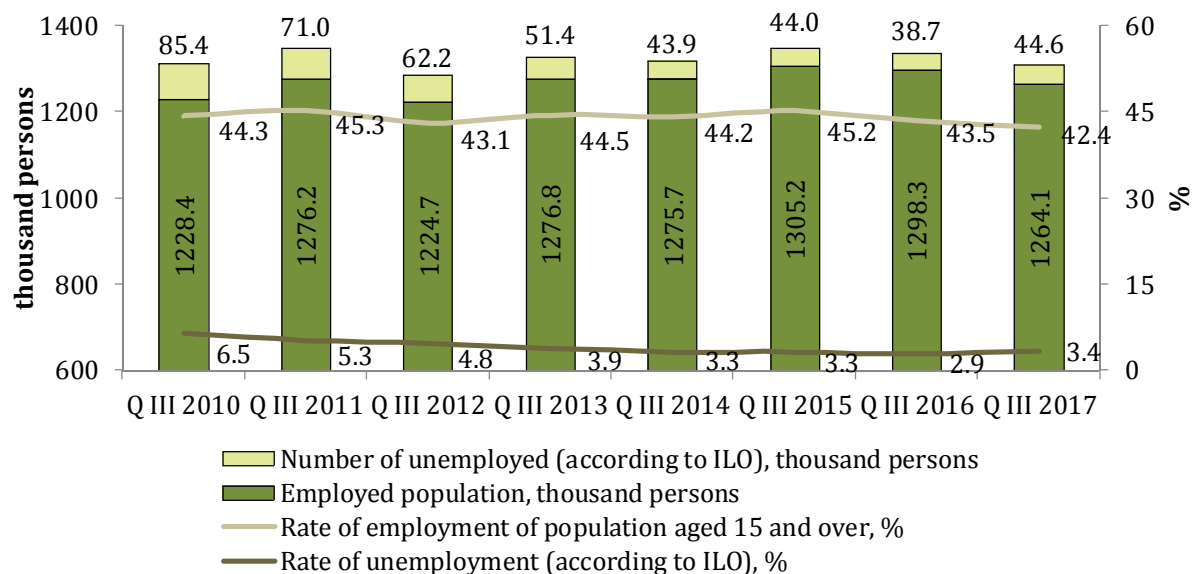


Figure 6.2. Dynamics of activity, employment and unemployment rates of population aged 15 and over in quarter III in 2010-2017

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

The unemployment rate across the country in quarter III of 2017 was 3.4%, increasing by 0.5 p.p. compared to s.p.l.y. (2.9%). The unemployment rate for men accounted for 3.7%, and for women – 3.1%. There were discrepancies in the unemployment rate between urban and rural areas (5.8% and 1.4%, respectively). Among young people (15-24 years) the unemployment rate was 12.6%, and in the age group of 15-29 years – 7.7%.

The inactive population in the country (aged 15 and over) in Q III, 2017 amounted to 1675.2 thousand pers., forming 56.1% of total population of this age group increasing by 0.9 p.p. compared to s.p.l.y. Inactive population includes:

- people who don't want to work (1308.0 thousand pers. or 78.1% of inactive population), of them:

- pensioners (604.9 thousand pers. or 46.2% of people who don't want to work);
- people who don't want to work because of study or learning (237.5 thousand pers. or 18.2% of people who don't want to work);
- persons who don't want to work for an income because they take care of family (193.3 thousand pers. or 14.8% of people who don't want to work);
- people who live in the country, but don't want to work in Moldova because they have already a (permanent or seasonal) job abroad or people who plan to work abroad (208.8 thousand pers. or 16.0% of people who don't want to work);

- people announced by households as working or seeking a job abroad (351.0 thousand pers. or 21.0% of inactive population);

- discouraged persons to find a job in the country (3.4 thousand pers. or 0.2% of inactive population).

In Figure 6.3 there can be seen that the number of people announced by households as working or seeking a job abroad has strongly increased in the first 3 quarters of 2017 (by 26.6% or by 73.7 thousand persons). At the same time the number of discouraged persons to find a job in the country has strongly reduced (by 9.9 thousand persons or by 74.4%), which can be a consequence of the fact that a large part of these persons would have left abroad rather than they found a job in the country.

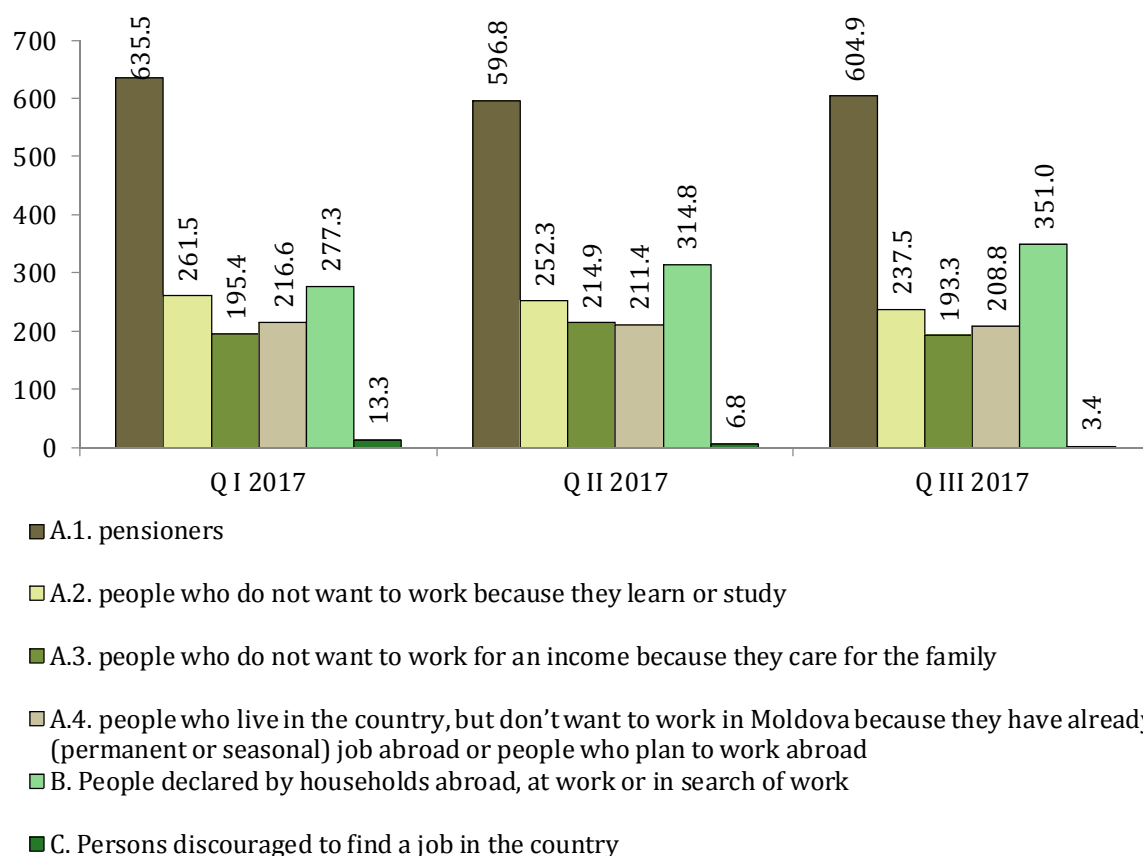


Figure 6.3. Dynamics of several types of persons of inactive population during Q I 2017 - Q III 2017, thousand persons

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

The NEET group consists of young people aged 15-29 years who are not in Education, Employment or Training. In Q III of 2017, this group held a weight of 29.1% of population aged 15-29 years (with exception of the population working or seeking a job abroad).

Box 6.1. Amendment and completion of Labour Code of the Republic of Moldova

The draft law on amending and completing the Labour Code of the Republic of Moldova (no. 154 – XV of March 28, 2003) has been voted by the Parliament on July 20, 2017. Among the main amendments are: employer's right to lay off the employee even after a single serious breach of labour responsibilities as well as the people reaching retirement age, but with the possibility to be employed during a limited time. The additional unpaid maternity leave has also been reduced from 6 to 4 years, thus reducing the leave term will encourage the women to participate more actively on the labour market.

According to the new provisions, the employers are obliged to provide in the working year at least 14 calendar days from the annual leave and the remaining part by the end of the following year for employees.

The aim of amendments of Labour Code is to improve the investment climate by liberalising the contractual relations between employer and employee.

Sources: <http://parlament.md/ProcesulLegislativ/Proiectedeactelegislative/tabid/61/LegislativId/3824/language/ro-RO/Default.aspx>; <http://lex.justice.md/md/326757/>

Remuneration of labour

Quarter III of 2017 is characterized by a growth both of the average monthly nominal salary (5809.1 MDL) by 11.1% compared to the same quarter of the previous year and of the average monthly real one – by 3.4%. In the public sector, the average monthly salary (4990.7 MDL) increased by 10.4% compared to s.p.l.y., in a lower measure than the average monthly salary in the real sector (6132.2 MDL), which grew up by 11.0% compared to s.p.l.y. The highest paying types of economic activities are: Information and communications, Financial and Insurance activities and Production and supply of electricity, heat energy, gas, hot water and conditioned air.

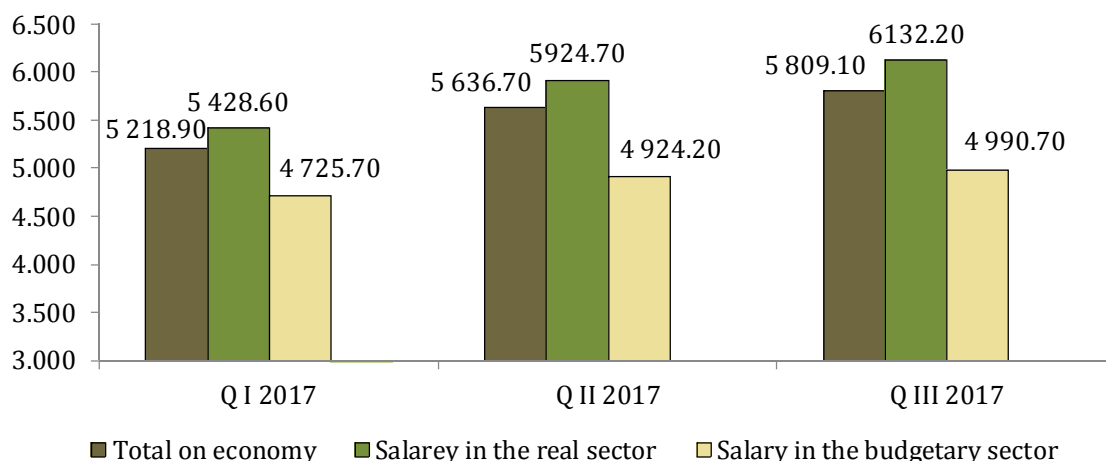


Figure 6.4. Dynamics of nominal salary in public sector and real one in Q I 2017 – Q III 2017, MDL

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

In quarter III of 2017, the gross average monthly nominal salary amounted to 5809.1 MDL, increasing by 11.1% against Q III of 2016. The real salary index for quarter III of 2017 against Q III of 2016 (calculated as ratio between the gross nominal salary index and consumer price index) accounted for 103.4%, up by 3.4% compared to the level of quarter III of the previous year. In quarter III of 2017 the average monthly salary in public sector was 4990.7 MDL (more by 10.4% compared to Q III of 2016), in real sector – 6132.2 MDL (more by 11.0% compared to Q III of

Box 6.2. Rise in amount of basic salaries in public sector

Under the Law No. 208 of October 6, 2017 on amending Annex no. 1 to Law no. 355/2005 on salary system in public sector, the salaries of public employees have been increased. This increase has been implemented in 2 stages:

- since September 1, 2017 the salaries of employees from education, culture and art, medical-sanitation, social assistance, physical culture and sport institutions.
- since January 1, 2018 the other public employees from science and innovation, military, police sectors and other employees from national defense bodies, state security and public defense will also increase.

For the 1st category, the salary will amount to 1100 MDL increasing from 100 MDL up to 200 MDL for the 25th category.

Almost 337 de millions MDL will be allocated from the government budget .

Source: <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=371985>

2016). According to the types of economic activities, the highest average monthly salary in Q III, 2017 has been registered in: *Information and communications* – 12775.1 MDL (219.9% of the average salary), *Financial and Insurance activities* – 10763.9 MDL (185.3% of the average salary), *Production and supply of electricity, heat energy, gas, hot water and conditioned air* – 10614.6 MDL (182.7%). In Q III of 2017 the lowest salaries were found in the following economic activities: *Art, leisure and recreation activities* – 3209.3 MDL (55.2% of the average salary), *Accommodation and food service activities* – 3965.9 MDL (68.3% of the average salary) and *Agriculture, forestry and fishing* – 4035.5 MDL (69.5%).

In Q III of 2017, the disposable monthly revenues of population amounted to 2224.4 MDL on average per capita increasing by 6.9% compared to s.p.l.y. In real terms, the revenues of population remained at the same level as in the similar period of the last year. The most important sources of revenues remain to be: salaries (43.5%), social benefits (25.8%) and remittances from abroad (14.6%).

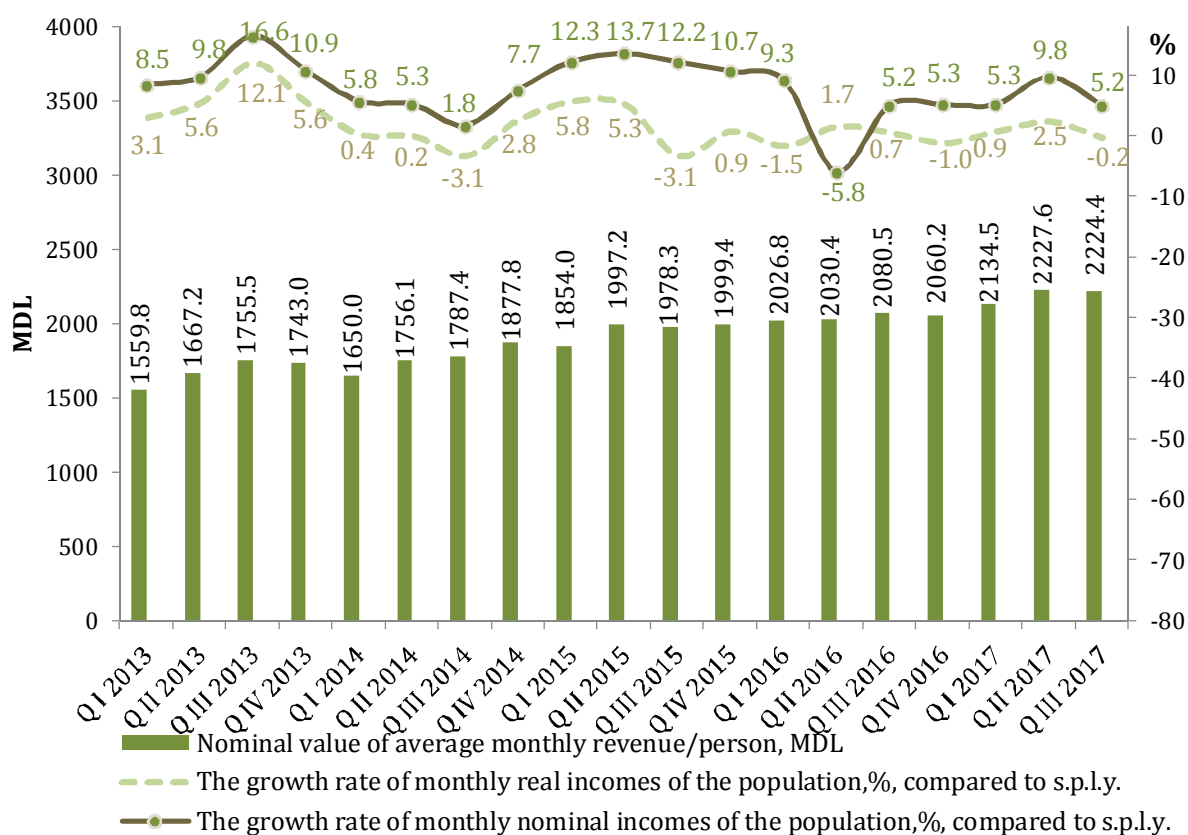


Figure 6.5. Dynamics of disposable revenues of population, nominal value and growth rates by quarters, Q I 2013 – Q III 2017

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

In quarter III of 2017, the disposable monthly revenues of population averaged out at 2224.4 MDL per capita, by 6.9% more than s.p.l.y. In the third quarter of 2017, in real terms the revenues of population adjusted to the consumer price index remained at the level from the similar period of the last year. The contribution of salaries in the revenues structure of population still remains the most important financial source. The revenues from salaries represent 43.5% of total disposable revenues, their weight being up by 1.9 p.p. compared to quarter III of 2016. The social benefits are the second significant source of revenues of Moldavians amounting to 25.8%, growing by 1.5 p.p. compared to s.p.l.y. The self-employment activities with a weight of 12.4% of the average monthly revenues per capita of which from agricultural individual activities – 8%, and from non-agricultural individual activity – 4.4% have also contributed to the formation of revenues. Another important source for the household budget are the remittances from abroad.

These represent 14.6% of total revenues or by 1.5 p.p. less than s.p.l.y. The household revenues from urban area were on average by 555.7 MDL higher or by 1.3 times higher than those from rural area. For the population in urban area, the main sources of revenues are the salaries which ensured the revenues of population in the ratio of 57.8% (increasing by 2.5 p.p. compared to s.p.l.y.) and social benefits – 24.8% (increasing by 1.7 p.p. compared to s.p.l.y.). The revenues of population in rural area are generated on the basis of salaries in the ratio of 29.2%, and their contribution is by 2 times lower than in urban area. At the same time, the revenues from agricultural individual activity had a weight of 15.2% of total disposable revenues. The revenues of population in rural area depend to a greater extent on the social benefits and remittances from abroad in relation to revenues of population in urban area. Thus, the social benefits in villages are in the ratio of 26.7%, while in urban areas their weight was 24.8%, and remittances from abroad in villages hold a weight of 21.1%, while in cities this weight is 8.3%.

The average monthly consumption expenditures of population in Q III of 2017 amounted to 2301.0 MDL per capita increasing by 4.6% compared to Q III, 2016. In real terms adjusted to the consumer price index, the expenditures of the population inclined on average by 2.6% compared to s.p.l.y. The largest part of expenditures continues to be directed towards: food consumption (43%), housing maintenance (19.8%) and clothing and footwear (10.8%).

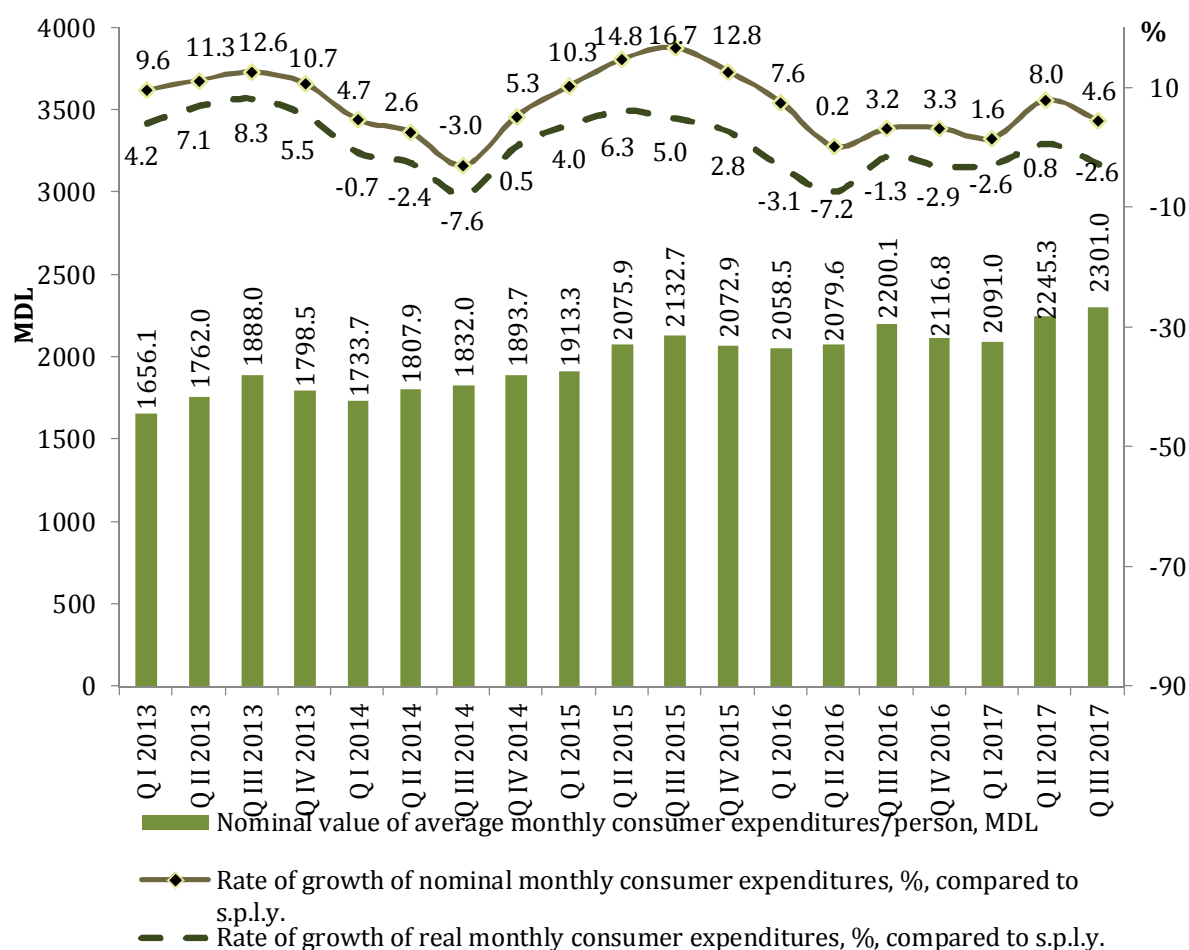


Figure 6.6. Dynamics of consumer expenditures, nominal value and growth rates by quarters, Q I 2013 – Q III 2017

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

The average monthly consumption expenditures of population in Q III of 2017 amounted to 2301.0 MDL per capita increasing by 4.6% compared to s.p.l.y. In real terms (adjusted to the consumer price index), the expenditures of population decreased on average by 2.6% compared

to s.p.l.y. In Q III of 2017, the food consumption is the highest part of expenditures – 43% (41.3% in Q III of 2016). The housing maintenance expenditures had a weight of 19.8% of total consumption expenditures on average per capita (18.0% in Q III, 2016). The clothing and footwear expenditures accounted for 10.8% (as in the same period of the last year), health services – 5.7% (7.4% in s.p.l.y.), communications – 4.2%, housing facilities – 4.0%, transport – 3.5%, education – 0.3%, etc. The monthly consumption expenditures of population in urban area equated to 2718.0 MDL on average per capita, by 743.9 MDL or by 1.4 times more than in rural area. The population in urban area directed 40.3% of monthly consumption expenditures (38.7% in Q III of 2016) towards food consumption, and in rural area – 45.9% (44.1% in Q III of 2016). At the same time, the urban population spent more for communications – 4.3% versus 4.1% in rural area, for housing maintenance – 4.2% versus 3.7%, for transport – 4.1% versus 2.9%, for hotels, cafes and restaurants – 3.0% versus 0.4%, leisure services – 1.5% versus 0.7%. The rural population spent more for housing facilities (19.8% versus 19.7% in urban area), clothing, footwear – 11.1% versus 10.6% in urban area, for health services – 6.0% (versus 5.5% in urban area).

Box 6.3. Meal vouchers – important tool for employee feeding

As of October, 2017 in the Official Journal no. 364-370, the Law no. 166 of September 21, 2017 on meal vouchers which regulates the procedure for issuance, acceptance and reimbursement of meal vouchers value, the status of operators as well as the relation between operators, employees and commercial units of food service has been published. The meal vouchers are favoured in relation to other food distribution tools.

According to legal provisions, the grant of meal vouchers is a right, not an obligation for the employer. Thus, the meal voucher value may range between 35-45 MDL, while other allocations for employee feeding cannot exceed 35 MDL.

Source: <http://lex.justice.md/index.php?action=view&view=doc&lang=1&id=371965>

Social protection of population. According to the data of the National House of Social Insurance, the number of pensioners registered to the social protection bodies as of October 1, 2017 amounted to 718.3 thousand pers. or by 31.8 thousand pers. more compared to October 1, 2016. On October 1, 2017 the monthly average pension amounted to 1495.72 MDL, up by 17.1% against October 1, 2016.

Social development of the region to the left bank of the Dniester River⁶

Demographic situation. During January-September 2017 the natural decrease of population amounted to 1603 pers., increasing by 4.2% compared to January-September 2016. During this period, 3405 live births were registered, compared to the same period of the previous year their number decreased by 99 persons or by 2.8% and the number of deaths reached 5008 pers., by 0.7% lower compared to the similar period of the previous year. During January-September 2017, the number of deaths caused by neoplasmas (tumours) increased by 3.6%, digestive diseases by 2.4%, coronary heart diseases by 0.3% compared to January-September 2016. At the same time, the deaths caused by poisons, lesions and murders decreased by 13.3%, vascular brain lesions – by 2.4%.

⁶ The analysis was conducted based on the Statistical Service of Transnistria.

The infant mortality rate of children under the age of 1 year for January-September 2017 amounted to 25 pers., by 25.0% more compared to January-September, 2016. The main causes are:

- conditions from perinatal period – 11 cases;
- congenital abnormalities – 9 cases.

Migration increase of population in January-September 2017 taking into account internal and external migration reached 299 pers., while during the same period of the last year there took place a decrease of 1660 pers. During January-September 2017, 6428 pers. (out of the region – 2804 pers.) arrived, representing 148.8% of total number of arrivals during the same period of the previous year, of them children under 16 years – 1437 pers., or 22.4% of total number of arrivals. 6129 pers (out of the region – 2311 pers.) left or 102.5% of those who left during January-September 2016 including children under 16 years - 994 pers. or 16.2% of total number of departures. Of total number of arrivals in the region – 48.9% are men (3143 pers.), the number of men who had left the region is 49.7% (3046 pers.).

In January-September 2017 4305 pers. arrived in urban areas and 4286 pers. left, which is – 151.4% and 101.5%, respectively compared to January-September 2016. 2114 pers. arrived out of the region and 1817 pers. left the region. 2123 pers. arrived in rural area and 1843 pers. left the region representing 143.7%, 104.7% respectively compared to January-September 2016. 690 pers. arrived out of the region and 494 pers. left the region.

The number of registered marriages amounted to 2127, increasing by 2.9% compared to the same period of the last year. The number of divorces reached 1318, increasing by 5.8% compared to the same period of the last year.

Labour market. The number of employees in the organizations of all economic sectors (except for small enterprises, religious and non-profit organizations, security structures and customs authorities) on October 1, 2017 amounted to 96.4 thousand pers., decreasing by 1850 pers. or by 1.9% compared to the same period of the previous year. Since the beginning of 2017, the number of citizens registered to the employment agencies who get a job numbered 13974, of them 636 – to newly created jobs. The procent of substitution of retired employees with new staff was 95.8%. During January-September 2017, 14580 persons were layed off from institutions and organizations representing 15.0% of the number of employees since the beginning of the year. The main reason of dismissal is worker's own decision (12196 pers. (83.6%)).

According to the Social Insurance Fund of Transnistria, at the end of September 2017, the number of citizens officially registered as unemployed amoured to 6163 pers., by 49.0% more against the end of September 2016. 3037 pers. or 49.3% of total number of registered citizens are women. During January-September 2017, through the Transnistrian Agency for Employment 9386 pers. were recorded as unemployed, of them 4437 pers. are women (47.3% of total number of registered citizens). In January-September 2017, 18000 thousand rubles were spent for payment of unemployment benefits. 5074 pers. received unemployment benefits, the average amount of unemployment benefits accounted for 416.3 rubles or 31.4% of the average subsistence minimum budget per capita. During January-September 2017, 1611 persons of which 1386 persons (86.0%) of registered unemployed people were employed by the aid of employment service.

Remuneration of labour

During January-September 2017, the average monthly nominal salary calculated for an employee in the region (except for small enterprises, religious and non-profit organizations, law enforcement agencies and customs authorities) amounted to 3901 rubles, which is 102.2%

compared to January-September 2016. The average salary at public organizations amounted to 2720 rubles, increasing by 0.7% against the same period of last year⁷.

In January-September 2017 the average monthly nominal salary of an employee was higher than the average salary in the region in the following economic branches: „Electrical- and radio-communication” (10021 rubles or 787 US dollars), „Insurances” (6893 rubles or 541 US dollars), „Banks and credits” (6875 rubles or 540 US dollars), „Information and computer services” (5394 rubles or 423 US dollars), „Industry” (5153 rubles or 404 US dollars), „Constructions” (4547 rubles or 357 US dollars), „Editorial offices and publishing houses” (4154 rubles or 326 US dollars), „Housing and utility services household” (4125 rubles or 324 US dollars), „Transport” (4032 rubles or 316 US dollars), „Trade and food service” (3943 rubles or 309 US dollars).

At the same time, the average monthly nominal salary of an employee was lower than the average salary in the region in the following economic branches: „Geology and meteorology” (2044 rubles or 160 US dollars), „Social assistance” (2126 rubles or 167 US dollars), „Forestry” (2181 rubles or 171 US dollars), „Postal communication” (2249 rubles or 177 US dollars), „Culture and art” (2454 rubles or 193 US dollars), „Non-productive types of public services” (2679 rubles or 210 US dollars), „Education” (2680 rubles or 210 US dollars), „Healthcare” (2745 rubles or 215 US dollars), „Science” (2959 rubles or 232 US dollars), „Agriculture” (3324 rubles or 261 US dollars), „Physical culture, recreation and tourism” (3729 rubles or 293 US dollars), „Real estate operations” (3867 rubles or 304 US dollars).

During January-September 2017 the highest average monthly nominal salary of employees in industry was registered in „Ferrous Metallurgy”(6308 rubles or 495 US dollars) which is by 61.7% higher compared to the average salary in the region. Other branches of industry with a higher average monthly salary than the average monthly salary in the region were: „Electricity” (6033 rubles or 474 US dollars) – by 54.7% higher, „Mechanical Engineering and Metal Processing” (5489 rubles or 431 US dollars) – by 40.7% higher, „Food industry” (4740 rubles or 372 US dollars) – by 21.5% higher, „Building materials industry” (4317 rubles or 339 US dollars) – by 10.7% higher, „Flour and cereals and mixed fodder industry” (4307 rubles or 338 US dollars) – by 10.4% higher.

Social protection of population

During the period July-September 2017 the average number of pensioners amounted to 121587 pers., of them 117393 pers. benefited from labour pension and – 4194 pers. from social pension. During July-September 2017 the average amount of the pension was 1346.98 rubles, by 0.6% less compared to July-September 2016 (labour pension – 1372.31 rubles and social pension – 638.01 rubles).

Subsistence minimum

In January-September 2017, the amount of the subsistence minimum on average per capita accounted for 1368 rubles, by 7.0% more compared to the same period of 2016.

Crimes. In January-September, 2017, according to the Minister of Internal Affairs of the PMR, 8643 requests and reports on crimes have been registered which is by 7.4% more than in January-September, 2016. During January-September, 2017, 3525 crimes have been registered which is by 1.3% more compared to January-September of last year. During January-September 2017 there were registered 154 crimes related to illegal trafficking in arms; 472 drug related crimes; 24 crimes committed by use of arms, munitions and explosives. Of the total number of

⁷ The official average exchange rate of the monetary authority of the region to the left bank of the Dniester River in January – September 2017 – 1 US dollar = 12.7366 rubles (https://www.cbpmr.net/data/sv_K_n_itog_02_12_17.pdf)

Table 6.1. Subsistence minimum in the region from the left bank of the Dniester River in the first 9 months of 2017
(average per person, rubles per month)

	Total population	Including:				
		Able to work		Pensioners	Children	
		Men	Women		Aged under 6 years	From 7 up to 15 years
January	1317	1447	1369	1111	1219	1464
February	1310	1440	1362	1106	1211	1457
March	1301	1429	1352	1098	1203	1447
April	1315	1446	1366	1110	1216	1464
May	1333	1467	1383	1125	1231	1487
June	1390	1530	1438	1172	1290	1565
July	1379	1519	1428	1160	1283	1553
August	1356	1494	1404	1138	1262	1522
September	1369	1511	1413	1149	1274	1542

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

recorded crimes – 679 (19.3%) were classified as serious and 252 (7.1%) – extremely serious. Compared to January-September 2016, the number of extremely serious crimes increased by 3.7% and serious ones – by 0.9%. During January-September 2017, 3247 crimes were investigated of which: 635 (19.6%) crimes were committed by persons previously convicted, 428 (13.2%) – group of individuals, 389 (12.0%) – women, 214 (6.6%) – crimes committed by minors. During January-September 2017, 436 crimes (13.4%) were committed in drunkenness, drugging or in another intoxicated condition. As a result of these crimes, 1852 pers. suffered, including 29 pers. died (1.6%), and 49 pers (2.6%) were subjected to serious health injuries.



STATISTICAL ANNEXES

GDP RESOURCES																					
Period	GDP			GVA			Agriculture			Industry			Constructions			Other activities			Net taxes on products		
	mln. lei	in %	sply	mln. lei	in %	sply	mln. lei	in %	sply	mln. lei	in %	sply	mln. lei	in %	sply	mln. lei	in %	sply	mln. lei	in %	sply
	current prices			current prices			current prices			current prices			current prices			current prices			current prices		
2011	82348.7	106.8		68390	106.3		10095	105.2		11518	110.2		2720	101.9		45831	101.3		13959	109.6	
2012	88227.8	99.3		73686	99		9896	79.9		12314	100.8		3041	101.8		50178	103.2		14542	100.8	
2013	100510.5	109.4		83719	110.2		12383	146.6		14328	107.6		3373	105.3		55346	103.9		16791	105.1	
2014	111757.4	104.6		94228.3	105.2		14111.8	108.2		16246.8	107.2		3964.8	110.6		62112.3	103.8		17529.1	101.5	
2015	121850.9	99.5		103160.8	99.6		14267.8	86.6		14919.3	103.4		4359.7	100.6		69441.4	102.8		18690.1	99.2	
2016	134476.6	104.1		114531.6	104.8		16409.4	118.2		20254.2	102.1		4388.4	93.3		73479.6	102.2		19945.0	100.6	
Quarter I 2014	21499.2	103.7		17917.5	104.4		977.2	110.2		3373.0	105.7		597.9	108.9		13497.8	103.8		3581.7	100.7	
Quarter II 2014	26280.9	104.3		21985.9	104.9		2354	108.7		3959.1	103.9		1403.4	110.5		14823.9	104.4		4295	101.1	
Quarter III 2014	34115	105.8		29372.9	106.2		6931.1	108.4		4420.0	106.1		1271.1	113.7		17293.1	104.8		4742	103.4	
Quarter IV 2014	29862.3	104.2		24951.9	104.9		3849.6	107.3		4495.0	112.7		692.4	106.7		16497.5	102.2		4910.4	100.7	
Quarter I 2015	24423.2	104.8		20473.7	105.2		914.7	104.4		4001.4	107.9		708.6	106.2		15763.5	105.2		3949.4	103.1	
Quarter II 2015	28526.8	102.5		23958.3	102.7		2064.6	102.7		4569.5	104.6		1521.4	101.1		16755.0	103.5		4568.5	101.5	
Quarter III 2015	35889.6	96.3		30723.9	96.1		6484.8	82.6		4846.8	102.5		1393.5	98.2		19030.7	101.2		5165.7	97.6	
Quarter IV 2015	33011.3	96.7		28004.8	96.9		4803.7	81.7		4010.9	98.1		736.2	98.9		19002.6	106.2		5006.5	95.6	
Quarter I 2016	27097.4	100.8		23018.9	100.6		1005.9	105.1		4529.9	101.14		697.3	96.0		17143.0	98.8		4078.4	102.2	
Quarter II 2016	31433.8	101.8		26575.5	102.4		2078.4	104.1		4839.2	100.00		1410.5	85.5		18247.4	102.5		4858.3	98.7	
Quarter III 2016	39749.3	106.3		34143.8	107.1		8202.8	124.2		4647.6	101.2		1463.3	97.2		19099.6	101.3		5605.5	101.7	
Quarter IV 2016	36196.0	106.5		30793.2	107.6		5122.2	117.6		5506.9	106.2		817.3	99.8		19346.8	105.5		5402.8	100.1	
Quarter I 2017	29669.65	103.1		24685.63	103.7		990.94	101.8		4685.5	101.2		834.96	102.7		18643.5	107.5		4984.02	100.1	
Quarter II 2017	34251.17	102.5		28336.6	101.1		2140.64	93.1		5091.95	100		1592.77	105.5		19511.2	106.9		5914.57	110	
Quarter III 2017	45523.5	105.4		38896.8	104.6		9241.1	106.0		6100.4	104.9		1625.5	104.0		21929.8	114.8		6626.7	110.1	

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

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

USES OF GDP												
Period	GDP			Final consumption			Gross capital formation			Stock variation		
	mln. lei Current prices	in % sply	in %	mln. lei Current prices	in % sply	in %	mln. lei Current prices	in % sply	in %	mln. lei Current prices	in % sply	in %
2011	82348.7	106.8	107.3	96090.5	107.3	113	19178.8	113	725.2	-33645.8	x	x
2012	88227.8	99.3	100.9	103062.6	100.9	101.8	20864.1	101.8	-3.2	-35695.7	x	x
2013	100510	109.4	105.2	113169	105.2	103.8	23062	103.8	1721	-37442	x	x
2014	111757.4	104.6	102.4	123357.5	102.4	110.1	27608.2	110.1	1447.4	-40655.8	x	x
2015	121850.9	99.5	98.1	131230.0	98.1	98.8	29492.3	98.8	-1952.2	-36919.2	x	x
2016	134476.6	104.1	103.0	142112.0	103.0	97.0	30021.5	97.0	172.5	-37829.5	x	x
Quarter I 2014	21499.2	103.7	100.5	24926.1	100.5	108.6	4993.3	108.6	-238	-8182.2	x	x
Quarter II 2014	26280.9	104.3	101.4	29542.5	101.4	107.6	6683.6	107.6	-109.3	-9835.9	x	x
Quarter III 2014	34115	105.8	103.3	35387.1	103.3	111.5	8173.6	111.5	973.4	-10419.1	x	x
Quarter IV 2014	29862.3	104.2	103.9	33501.8	103.9	112.1	7757.7	112.1	821.4	-12218.6	x	x
Quarter I 2015	24423.2	104.8	100.3	27244.8	100.3	107.8	5972.5	107.8	-73.9	-8720.3	x	x
Quarter II 2015	28526.8	102.5	100.1	31504.5	100.1	98.5	7053.9	98.5	-865.8	-9165.7	x	x
Quarter III 2015	35889.6	96.3	95.4	36492.0	95.4	95.2	8534.7	95.2	594.4	-9731.5	x	x
Quarter IV 2015	33011.3	96.7	97.6	35988.8	97.6	97.1	7931.1	97.1	-1606.9	-9301.7	x	x
Quarter I 2016	27097.4	100.8	101.9	29742.0	101.9	96.4	5946.8	96.4	449.7	-9040.6	x	x
Quarter II 2016	31433.8	101.8	101.8	34136.9	101.8	90.6	6838.3	90.6	113.1	-9654.5	x	x
Quarter III 2016	39749.3	106.3	104.1	39624.7	104.1	98.9	8667.7	98.9	889.1	-9432.2	x	x
Quarter IV 2016	36196.0	106.5	103.7	38608.8	103.7	101.0	8568.7	101.0	-1279.3	-9702.1	x	x
Quarter I 2017	29669.7	103.1	103.4	32357.3	103.4	103.3	6657.4	103.3	830.5	-10175.5	x	x
Quarter II 2017	34251.2	102.5	103.2	37579.8	103.2	106.3	7449.2	106.3	756.6	-11534.37	x	x
Quarter III 2017	45523.5	105.4	104.6	447566.8	104.6	98.9	9662.6	98.9	1866.6	-10762.5	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 2015	6.1	5.8	9.3	1.9
Q II 2015	8.0	8.7	11.1	2.6
Q III 2015	11.1	10.7	12.8	8.6
Q IV 2015	13.4	14.1	13.8	11.4
Q I 2016	11.0	12.2	10.0	10.5
Q II 2016	7.9	8.3	7.1	7.7
Q III 2016	4.5	6.2	5.0	2.1
Q IV 2016	2.5	3.2	3.5	0.2
Q I 2017	4.3	4.5	4.7	3.1
Q II 2017	7.1	8.4	4.9	8.2
Q III 2017	7.4	8.9	4.4	8.9

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

CONSUMER PRICES				
	Growth rate of CPI, % (compared to the same period of previous year)	Growth rate of food prices, % (compared to the same period of previous year)	Growth rate of non-food prices, % (compared to the same period of previous year)	Growth rate of prices for services, %, (compared to the same period of previous year)
January 2015	4.7	4.5	7.0	1.8
February 2015	6.5	6	10.2	1.9
March 2015	7.1	7	10.7	2.1
April 2015	7.6	7.8	11	2.6
May 2015	8.1	9	11	2.6
June 2015	8.3	9.2	11.4	2.7
July 2015	8.6	8.7	12.2	3
August 2015	12.2	10.9	13.4	11.3
September 2015	12.6	12.6	12.9	11.4
October 2015	13.2	13.5	13.5	11.7
November 2015	13.5	14.5	13.8	11.3
December 2015	13.6	14.3	14.1	11.3
January 2016	13.4	14.6	13.3	11.3
February 2016	10.3	11.8	8.8	10.0
March 2016	9.4	10.1	7.9	10.1
April 2016	8.3	9.3	7.2	7.8
May 2016	7.9	8.1	7.3	7.7
June 2016	7.4	7.6	6.9	7.6
July 2016	7	7.9	5.9	7.4
August 2016	3.6	6.2	4.5	-0.4
September 2016	3	4.6	4.6	-0.8
October 2016	2.5	3.5	3.9	-0.5
November 2016	2.6	3.2	3.5	0.6
December 2016	2.4	2.8	3.2	0.5
January 2017	3	3.8	3.9	0.3
February 2017	4.7	4.8	5.1	3.9
March 2017	5.1	5	5.2	5.1
April 2017	6.6	7	5.5	7.5
May 2017	7.4	9.1	5	8.1
June 2017	7.3	9	4.2	8.9
July 2017	7.3	8.9	4.2	8.8
August 2017	7.3	8.4	4.9	8.6
September 2017	7.6	9.4	4.2	9.2
October 2017	7.9	10.6	4	8.7

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

INDUSTRIAL PRODUCER PRICES

	Growth rate of IPPI, % (compared to the same period of previous year)	Growth rate of prices in mining industry, % (compared to the same period of previous year)	Growth rate of prices in manufacturing industry, % (compared to the same period of previous year)	Growth rate of prices in energy sector, % (compared to the same period of previous year)	Growth rate of prices in constructions, % (compared to the same period of previous year)	Growth rate of prices for agricultural products, % (compared to the same period of previous year)
2012	5.7/3.1*	3.8/4.7*	5.1/2.0*	9.2/11.4*	10	17.7
2013	3.2/3.3*	1.6/1.6*	3.8/3.8*	-0.4/-0.4*	8.3	-22.2
2014	5.5*	3.9*	6.5*	-1.4*	8.2	6.6
2015	6.3	4.4	6.8	2.8	8.0	22.5
2016	4.5	2.8	4.4	6.3	8.6	-3.4
Q I 2015	5.7	5.6	6.3	0.7	7.7	1.0
Q II 2015	4.5	4.2	5.0	0.3	7.9	-13.8
Q III 2015	6.1	3.5	6.5	3.4	8.3	27.6
Q IV 2015	8.9	4.6	9.2	6.8	8.2	33.0
Q I 2016	6.7	3.3	6.2	10.7	9.1	-0.4
Q II 2016	5.2	3.1	5.1	6.6	7.6	7.8
Q III 2016	3.5	2.7	3.5	3.6	8.7	-7.5
Q IV 2016	2.8	2.1	2.6	4.4	8.9	-4.8
Q I 2017	2.9	1.3	3.2	1.4	6.6	0.8
Q II 2017	3.6	1.9	3.1	8.7	4.6	-1.1
Q III 2017	3.9	3.9	3.2	11.5	2.1	1.2

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

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

INDUSTRIAL PRODUCER PRICES

	Growth rate of IPPI, % (compared to the same period of previous year)	Growth rate of prices in mining industry, % (compared to the same period of previous year)	Growth rate of prices in manufacturing industry, % compared to the same period of previous year)	Growth rate of prices in energy sector, % (compared to the same period of previous year)
January 2015	4.6	7.0	7.0	0.8
February 2015	6.2	5.1	7	0.6
March 2015	6.2	4.6	6.9	0.8
April 2015	5.5	5.3	6.1	0.3
May 2015	4.5	4.7	5	0.3
June 2015	3.4	2.6	3.9	0.3
July 2015	3.8	3.4	4.2	0.3
August 2015	7.4	3.4	7.2	9.8
September 2015	7.2	3.7	8.2	0.2
October 2015	8.2	3.9	9.3	0.2
November 2015	9.3	4.6	9.4	9.8
December 2015	9.1	5.3	9.0	10.5
January 2016	8.2	4.2	8.1	9.7
February 2016	6.2	3.6	5.6	11.1
March 2016	5.6	2.2	4.9	11.4
April 2016	5.1	3.0	5.0	6.6
May 2016	5.4	3.1	5.3	6.6
June 2016	5.2	3.3	5.1	6.6
July 2016	4.9	2.5	4.7	6.7
August 2016	2.5	2.5	3.2	-2.6
September 2016	3.1	3	2.7	6.7
October 2016	3.1	1.9	2.5	9
November 2016	2.4	2.7	2.3	2.4
December 2016	2.8	1.8	2.9	1.8
January 2017	3	0.9	3.1	1.8
February 2017	2.6	0.8	2.9	1.8
March 2017	3.2	2.2	3.5	0.5
April 2017	3.5	1.3	3.2	5.8
May 2017	3.6	1.1	3.1	8.3
June 2017	3.7	3.2	2.9	12
July 2017	3.8	3.6	3.1	12
August 2017	4	4.4	3.2	12
September 2017	3.9	3.6	3.2	10.5
October 2017	3.4	2.6	3	8.2

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

	EXCHANGE RATE					
	MDL/USD nominal exchange rate	MDL/EUR nominal exchange rate	Growth rate of MDL/USD nominal exchange rate, % (compared to the same period of previous year)	Growth rate of MDL/EUR nominal exchange rate, % (compared to the same period of previous year)	Growth rate of MDL/USD real exchange rate, % (compared to the same period of previous year)	Growth rate of MDL/EUR real exchange rate, % (compared to the same period of previous year)
2012	12.1	15.6	3.2	-4.7	-3.0	-6.5
2013	12.6	16.7	3.9	7.4	1.5	4.3
2014	14.0	18.6	11.1	11.4	6.2	6.6
2015	18.8	20.9	34.3	12.4	19.7	2.2
2016	19.8	22.1	5.3	5.7	0.7	-0.6
Q I 2015	18.0	20.4	34.7	10.9	25.7	4.2
Q II 2015	18.1	20.1	32.6	6.9	21.7	-1.1
Q III 2015	19.4	21.6	38.1	15.8	22.0	3.3
Q IV 2015	19.9	21.8	32.5	16.2	16.7	2.6
Q I 2016	20.1	22.1	11.4	8.8	1.0	-2.0
Q II 2016	19.8	22.4	9.2	11.5	1.4	3.3
Q III 2016	19.8	22.1	2.1	2.3	-1.5	0.2
Q IV 2016	20.0	21.6	0.7	-0.7	-1.4	-2.6
Q I 2017	20.0	21.2	-0.6	-0.4	-1.2	-6.4
Q II 2017	18.8	20.6	-5.3	-7.9	-10.3	-12.7
Q III 2017	17.9	21.0	-9.5	-4.9	-14.2	-10.1

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

PUBLIC FINANCES						
Period	NPB revenues, MDL million	Increase on NPB revenues, % (compared to the same period of previous year)	NPB expenditures, MDL million	Increase on NPB expenditures, % (compared to the same period of previous year)	Sources of financing of NPB, MDL million (balance at the end of period)	Tax burden, %
2011	30150.5	9	32117	1	1958.5	31
2012	33526.1	11	35364	10	1837.9	31
2013	36908.5	10	38673.1	9	1764.6	37
2014	42446.8	0.15	44393.1	15	1946.7	32
2015	43660.7	2.86	46393.9	4.51	2733.2	35.8
2016	45946.9	5.24	48434	4.40	3 298.5	
Quarter I 2014	8413.2	0.12	8483.2	12	70	
Quarter II 2014	18847	0.13	19312	13	465	
Quarter III 2014	30454	0.18	30533.6	15	260.5	
Quarter IV 2014	42446.8	0.15	44393.1	15	1946.7	
Quarter I 2015	10173.8	20.93	9830.5	15.88	343.3	
Quarter II 2015	20790.5	10.31	21463.9	11.14	673.6	
Quarter III 2015	31822.5	4.49	32687.1	7.05	864.6	
Quarter IV 2015	43660.7	2.86	46393.9	4.51	2733.2	
Quarter I 2016	9916.9	-2.5	9826.4	-0.04	-90.5	
Quarter II 2016	21031.3	1.2	21709.4	1.1	678.1	
Quarter III 2016	32470.3	1.8	33516.0	2.5	1045.7	
Quarter IV 2016	45946.9	2.4	48434	2.8	3 298.5	
Quarter I 2017	11 993.2	20.8%	12 260.7	24.7%	678.8	
Quarter II 2017	24 909.2	18.5	25 010.7	15.2%	101.5	
Quarter III 2017	38425.5	18.3	37263.4	11.2	-1162.1	

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

PUBLIC FINANCES

Period	NPB revenues, MDL million		Increase on NPB revenues, % (compared to the previous period)		NPB expenditures, MDL million		Increase on NPB expenditures, % (compared to the previous period)		Sources of financing of NPB, MDL million (balance at the end of period)		Public debt, MDL million		Internal public debt by maturity, MDL million		External public debt by maturity, MDL million	
January 2015	2620.3		11.04		2853.1		19.11		232.8		30105.0		7239.8		22865.3	
February 2015	5449.0		8.58		6323.4		18.11		874.4		31168.6		6988.5		24180.1	
March 2015	10173.8		20.93		9830.5		15.88		343.3		29901.3		6829.6		23071.7	
April 2015	13550.4		14.86		13738.3		15.56		187.9		29883.2		6788.6		23094.6	
May 2015	16693.2		13.03		17252.8		16.82		559.6		29926.3		6937.7		22988.6	
June 2015	20790.5		10.31		21463.9		11.14		673.6		31225.7		7090.7		24135.0	
July 2015	24634.1		11.11		25583.4		12.77		949.3		31259.9		7168.2		24091.7	
August 2015	28020.7		3.99		29181.6		9.64		1160.9		32951.4		7224.8		25726.5	
September 2015	31822.5		4.49		32687.1		7.05		864.6		33554.1		6714.2		26824.7	
October 2015	35468.3		3.59		36499.4		4.83		1031.1		32947.2		6400.3		26546.9	
November 2015	39214.3		4.07		40567.1		4.65		1352.8		32714.7		6432.5		26282.2	
December 2015	43660.7		2.86		46393.9		4.51		2733.2		33508.8		7225.4		26283.4	
January 2016	2582.0		-1.5		2485.1		-13		-96.9		34897.1		7439.7		27457.4	
February 2016	5567.4		2.2		6042.5		-4.4		475.1		34626.1		7884.8		26741.2	
March 2016	9916.9		-2.5		9826.4		-0.04		-90.5		34794.7		8184.5		26610.2	
April 2016	13579.6		0.2		14042.1		2.2		462.5		35356.5		8406.9		26949.6	
May 2016	17018.1		1.9		17715.0		2.7		696.9		35556.3		8420.8		27135.5	
June 2016	21031.3		1.2		21709.4		1.1		678.1		35596.4		8530.4		27066.0	
July 2016	24620.9		-0.01		25780.9		0.7		1160.0		35580.1		8741.0		26839.1	
August 2016	28354.7		-1.19		29619.5		1.50		1264.8		37380.32		8615.9		28764.40	
September 2016	32470.3		2.04		33516.0		2.54		1045.7		37207.89		8526.81		28681.08	
October 2016	36297.5		2.34		37921.7		2.90		1624.7		50343.66		21784.05		28559.61	
November 2016	40172.5		2.44		42311.7		4.30		2139.2		50585.34		21695.67		28889.67	
December 2016	45946.9		5.24		48434		4.40		3 298.5		59371.9		23827.2		35544.7	
January 2017	3 328.6		29.1		3 545.3		42.8		216.7		51 076.5		21 364.8		29 711.7	
February 2017	6 878.0		23.4 %		7 690.4		27.2 %		812.4		51 853.9		21 382.2		30 471.7	
March 2017	11 993.2		20.8 %		12 260.7		24.7 %		678.8		51 649.2		21 793.4		29 855.8	
April 2017	15 851.1		16.7 %		16 310.5		16.1 %		495.4		51 537.0		21 586.4		29 950.6	
May 2017	19 963.9		17.3 %		20 382.9		15.0 %		419.0		50 416.2		21 577.5		28 838.7	
June 2017	24 909.2		18.5 %		25 010.7		15.2 %		101.5		50 657.3		21 526.6		29 130.7	
July 2017	29198.3		18.6 %		29203.2		13.3 %		4.9		50963.3		21536.8		29426.4	
August 2017	33599.1		18.5 %		33267.1		12.3		-332		50963.3		21641.6		29258.1	
September 2017	38425.5		18.3 %		37263.4		11.2 %		-1162.1		51209.2		21911.9		29297.3	

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

BANKING SECTOR												
Period	Indicators					Deposits structure, %			Earnings and profitability, %		Liquidity ratio, %	
	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	Deposita in foreign currency/total deposits	Return on assets	Return on equity	Principle I	Principle II > 20 %	In national currency
2011	47707.8	39613.5	30963.0	30112.1	63.36	32.21	46.16	1.95	11.51	0.69	33.17	14.37
2012	58304.4	48058.4	35948.2	36272.3	64.1	31.9	43.8	1.1	5.6	0.7	32.9	13.34
2013	76183.9	64752.9	42632.7	45081.0	65.8	34.2	44.7	1.6	9.4	0.7	33.8	12.26
2014	97584.4	85152.9	40841.9	65462.5	52.8	26.1	52.0	0.9	6.3	1.5	21.6	10.59
2015	69095.5	57330.1	38187.6	50201.4	69.7	29.9	52.4	2.10	12.78	0.70	41.55	15.58
2016	72942.18	46318.71	34761.3	54838.51	68.69	31.0	46.47	1.97	11.95	0.63	49.22	16.4
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	11.60
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	10.03
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	10.97
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	10.95
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	13.49
Quarter II 2015	101176.4	80267.9	42780.1	66751.6	52.8	24.8	56.0	1.1	8.9	1.5	27.0	13.91
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	15.44
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	15.58
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	15.53
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	14.15
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	13.59
Quarter IV 2016	72942.18	46318.71	34761.3	54838.51	68.69	31.0	46.47	1.97	11.95	0.63	49.22	16.4
Quarter I 2017	70233.77	60956.72	38165.62	55616.51	67.89	32.11	45.71	2.5	15.6	0.7	42.6	11.03
Quarter II 2017	76567.63	61853.28	34216.57	55370.36	67.87	32.13	45.16	2.4	14.6	0.64	51.3	10.55
Quarter III 2017	77547.5	66956.8	33841.9	58178.80	66.19	33.81	45.99	2.4	14.3	0.6	53.2	9.96

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, %	
	Bank assets (stock at the end of period), million MDL	Bank liabilities (stock at the end of the period), million MDL	Loans (stock at the end of period) million MDL	Deposits (stock at the end of period), million MDL	Deposits of individuals/total deposits	Deposits of legal entities/total deposits	Deposits in foreign currency, total deposits	Return on assets	Return on equity	Principle I	Principle II>20%	In national currency	In foreign currency
January 2015	102707.6	90163.6	42139.9	68923.5	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	41755.9	65902.9	52.4	25.5	55.2	1.4	11.2	1.5	27.6	11.58	2.38
June 2015	101176.4	88267.0	42700.1	66751.6	52.8	24.8	55.0	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	2.31	18.2	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	43.23	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	69085.5	57647.5	37576.6	50940.0	71.5	28.1	50.1	2.57	15.46	0.67	43.58	13.86	2.43
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	1.86
December 2016	72942.2	60318.7	34761.3	54838.5	68.7	31.0	46.5	1.97	11.95	0.63	49.22	6.79	1.91
January 2017	74012.28	64931.1	34212.9	55880.71	67.64	32.36	46.09	2.92	17.61	0.62	50.35	6.68	1.94
February 2017	74589.06	64180.6	34188.2	56157.82	67.2	32.28	45.70	2.44	14.69	0.62	50.44	6.68	1.97
March 2017	70233.77	60956.72	38165.62	55616.51	67.89	32.11	45.1	2.5	15.6	0.7	42.6	6.12	1.96
April 2017	74699.2	60835.87	33529.6	56793.97	68.49	31.51	45.11	2.6	15.5	0.63	50.9	5.35	1.87
May 2017	74114.0	61390.51	34216.6	55433.14	67.88	32.13	44.74	2.6	15.6	0.62	51.4	5.33	1.66
June 2017	76567.63	61853.28	34216.37	55370.36	67.87	32.13	45.16	2.4	14.6	0.64	51.3	5.67	1.70
July 2017	76567.6	66444.6	34109.6	57599.05	66.94	33.06	45.09	2.5	14.7	0.63	52.3	5.24	1.62
August 2017	77712.9	67402.4	34128.6	58485.53	66.31	33.69	46.46	2.4	14.4	0.62	52.9	5.78	1.52
September 2017	77547.5	66956.9	33811.9	58178.8	66.19	33.81	45.99	2.4	14.3	0.6	53.2	5.82	1.44

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

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

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

EXTERNAL SECTOR: FOREIGN TRADE										
Source	Total foreign trade, mln.USD	Goods	Services	Export	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	
2017										

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																
	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	Q. I 2017	Q. II 2017	Q. III 2017
Export of services	894.3	217.0	247.9	246.9	246.9	181.6	69.2	79.6	86.9	75.9	220.7	222.2	220.7	188.4	220.8	245.4
Transport	338.3	87.0	101.0	96.4	89.9	62.9	39.9	50.3	60.3	53.0	48.0	59.4	64.6	59.73	71.49	87.3
Trips	245.0	45.3	56.6	63.7	62.9	34.9	14.8	18.5	19.9	19.2	19.3	20.5	19.0	19.03	27.90	29.94
Business trips	162.9	13.2	16.3	19.1	17.0	14.8	18.5	19.9	19.9	19.2	19.3	20.5	19.0	19.03	27.90	29.94
Personal trips	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	40.65	43.59	57.69
Communications services	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	14.02	15.37	12.88
Constructions services	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	0.79	1.18	1.28
Insurance services	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	0.02	0.01	0.02
Financial services	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	1.24	0.91	1.0
Informatics and informational services	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	23.63	27.78	31.1
Other business services	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	23.22	27.69	29.75
Personal, cultural and recreation services	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	0.58	0.66	0.71
Nominal value of import by categories of services, mln. USD																
Import of services	828.1	222.4	250.2	260.6	248.9	181.9	210.9	215.4	202.5	180.6	205.3	219.0	223.2	202.05	233.9	252.62
Transport	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	75.36	82.08	95.54
Trips	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	63.55	77.13	86.10
Business trips	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	27.62	31.45	36.66
Personal trips	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	35.92	45.68	49.44
Communications services	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	8.4	10.64	12.16
Constructions services	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	1.5	3.87	3.24
Insurance services	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	1.46	1.57	2.44
Financial services	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	2.40	2.37	1.86
Informatics and informational services	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	9.4	10.9	9.98
Other business services	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	22	28.47	26.4
Personal, cultural and recreation services	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	0.95	1.54	0.91

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

EXTERNAL SECTOR: FOREIGN TRADE IN GOODS														
Period	Value of external trade in goods, mln. USD				Exports, mln. USD				Imports, mln. USD				Net export, mln. USD	Degree of imports coverage by exports, %
	Total	CIS	EU	Other countries	Total	CIS	EU	Other countries	Total	CIS	EU	Other countries		
2010	5396.8	1880.9	2433.1	1082.8	1541.5	624.0	728.9	188.6	3855.3	1256.9	1704.2	894.2	-2313.8	40.0
2011	7408.1	2632.7	3339.3	1436.1	2216.8	919.3	1083.0	214.5	5191.3	1713.4	2256.3	1221.6	-2974.5	42.7
2012	7374.7	2551.8	3332.0	1490.9	2161.8	928.1	1013.4	220.3	5212.9	1623.7	2318.6	1270.6	-3051.1	41.5
2013	7920.7	2595.5	3609.4	1715.8	2428.3	923.2	1137.3	367.8	5492.4	1672.3	2472.1	1348.0	-3064.1	44.2
2014	7656.5	2184.9	3813.7	1657.9	2339.5	735.6	1246.1	357.8	5317.0	1449.3	2567.6	1300.1	-2977.5	44.0
2015	5953.7	1510.4	3171.7	1271.6	1966.9	492.3	1217.6	257.0	3986.8	1018.1	1954.1	1014.6	-2019.9	49.3
2016	6065.7	1441.6	3306.1	1317.5	2045.3	414.2	1332.4	298.7	4020.4	1027.4	1973.7	1019.2	-1975.1	50.8
Quarter I 2012	1708.8	655.1	720.4	333.3	504.6	201.1	252.2	51.3	1204.2	454.0	468.2	282.0	-699.6	41.9
Quarter II 2012	1793.5	572.0	853.0	368.5	537.0	227.2	255.8	54.0	1256.5	344.8	597.2	314.5	-719.5	42.7
Quarter III 2012	1779.6	609.9	799.4	370.3	506.7	238.9	213.1	54.7	1272.9	371.0	586.3	315.6	-766.2	39.8
Quarter IV 2012	2092.8	714.8	959.2	418.8	613.5	260.9	292.3	60.3	1479.3	453.9	666.9	358.5	-865.8	41.5
Quarter I 2013	1832.4	673.2	773.8	385.4	589.7	246.3	260.3	83.1	1242.7	426.9	513.5	302.3	-653.0	47.5
Quarter II 2013	1897.8	592.1	881.7	424.0	546.6	208.3	251.1	87.2	1351.2	383.8	630.6	336.8	-804.6	40.5
Quarter III 2013	1981.0	631.7	907.3	442.0	604.8	234.4	275.8	94.6	1376.2	397.3	631.5	347.4	-771.4	43.9
Quarter IV 2013	2209.5	698.5	1046.6	464.4	687.2	234.2	350.1	102.9	1522.3	464.3	696.5	361.5	-835.1	45.1
Quarter I 2014	1791.2	565.1	867.9	358.2	573.0	180.8	318.9	73.3	1218.2	384.3	549.0	284.9	-645.2	47.0
Quarter II 2014	1928.0	523.3	995.7	409.0	599.2	204.5	301.9	92.8	1328.8	318.8	693.8	316.2	-729.6	45.1
Quarter III 2014	1884.0	520.1	954.1	409.8	565.2	184.3	284.0	96.9	1318.8	335.8	670.1	312.9	-753.6	42.9
Quarter IV 2014	2053.3	576.4	996.0	480.9	602.1	166.0	341.3	94.8	1451.2	410.4	654.7	386.1	-849.1	41.5
Quarter I 2015	1464.3	394.0	753.3	317.0	488.1	104.0	320.0	64.1	976.2	290.0	433.3	252.9	-488.1	50.0
Quarter II 2015	1513.5	354.6	835.0	274.4	504.8	137.5	306.1	61.2	1009.1	217.1	528.9	262.7	-503.9	50.0
Quarter III 2015	1432.7	360.8	772.4	299	455.5	125.2	273.1	56.7	977.2	235.6	499.3	242.3	-521.7	46.6
Quarter IV 2015	1543.5	400.8	811.2	331.5	519.2	125.5	318.8	74.9	1024.4	275.3	492.4	256.6	-497.1	50.8
Quarter I 2016	1306.6	335.5	692.7	278.4	417.2	85	266.2	66	889.4	250.5	426.5	212.4	-472.2	46.9
Quarter II 2016	1496.6	324.7	832	339.5	488.9	102.7	308.0	78.2	1007.7	222	524	261.3	-518.8	48.5
Quarter III 2016	1554.2	369.9	853.4	330.9	527.3	113.3	341	73	1026.9	256.6	512.4	257.9	-499.6	51.3
Quarter IV 2016	1737.8	411.6	956.4	369.8	612.6	113.3	417.9	81.4	1125.2	298.3	538.5	288.4	-512.6	54.4
Quarter I 2017	1559	377.5	826.3	355.2	528.2	106.0	335.6	86.6	1030.8	271.5	490.7	268.6	-502.6	51.2
Quarter II 2017	1650.7	382.2	898.7	369.8	500	110.8	316.6	72.6	1150.7	271.4	582.1	297.2	-650.7	43.5
Quarter III 2017	1880.9	427.2	964.4	398.3	623.6	119.5	414.5	89.6	1257.3	307.7	549.9	308.7	-633.7	49.6

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

EXTERNAL SECTOR: FOREIGN TRADE IN GOODS														
Period	Value of external trade in goods, mln. USD				Value of export, mln. USD				Value of import, mln. USD				Net export, mln. USD	Degree of imports coverage by exports, %
	Total	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	54.9
February 2015	469.8	126	244.8	99	165.5	33.5	110.9	21.1	304.3	92.5	133.9	77.9	-138.8	54.4
March 2015	577.3	147.2	299.9	130.2	174.7	41.6	109	24.1	402.6	105.6	190.9	106.1	-227.9	43.4
April 2015	480.8	112.4	268.9	99.5	151.3	34	94.8	22.5	329.5	78.4	174.1	77	-178.2	45.9
May 2015	500.9	111.6	281.1	108.2	172.9	44.4	109.8	18.7	328	67.2	171.3	89.5	-155.1	52.7
June 2015	531.9	130.6	285	116.3	180.6	59.1	101.6	19.9	351.3	71.5	183.4	96.4	-170.7	51.4
July 2015	505.8	130.4	273.2	102.1	164.9	51.3	95.9	17.6	340.9	79.1	177.3	84.5	-176.0	48.4
August 2015	425.8	112.9	223.8	88.7	127.2	35.7	73.4	17.7	298.6	77.2	150.4	71.0	-171.4	42.6
September 2015	501.1	117.5	275.4	108.2	163.4	38.2	103.8	21.4	337.7	79.3	171.6	86.8	-174.3	48.4
October 2015	525.7	130.1	288.6	107	188.5	48.9	115.8	23.8	337.2	81.2	172.8	83.2	-148.7	55.9
November 2015	501.7	131.2	267.6	102.9	167.2	38.5	104.7	24.0	334.5	92.7	162.9	78.9	-167.3	50.0
December 2015	516.1	139.5	255	121.6	163.5	38.1	98.3	27.1	352.6	101.4	156.7	94.5	-189.1	46.4
January 2016	324.1	93.8	163	67.3	116.7	19.7	78	19	207.4	74.1	85	48.3	-90.7	56.2
February 2016	425.5	109	222	94.3	138.5	28.6	89.8	20.1	287.0	80.4	132.2	74.2	-148.5	48.2
March 2016	557	132.8	307.5	116.7	162.0	36.7	98.4	26.9	395.0	96.1	209.1	89.8	-233.0	41
April 2016	533.5	122.9	289.1	121.5	178.5	38.6	105.9	34.0	355.0	84.3	183.2	87.5	-176.5	50.3
May 2016	481.0	101.9	264.7	113.4	153.0	29.8	98.1	25.1	328.0	73.1	166.6	88.3	-175	46.6
June 2016	482.1	98.9	278.6	104.6	157.4	34.3	104.0	19.1	324.7	64.6	174.6	85.5	-170.3	48.5
July 2016	479.8	110.6	272.7	96.5	165.7	35.2	107.8	22.7	314.1	75.4	164.9	73.8	-148.4	52.8
August 2016	519.1	124.9	277.6	116.6	168	40.9	103.1	24.0	351.1	84.0	174.5	92.6	-183.1	47.8
September 2016	555.3	134.4	303.1	117.8	193.6	37.2	130.1	26.3	361.7	97.2	173.0	91.5	-168.1	53.5
October 2016	581	141.4	322.4	117.2	200.8	42.5	132.1	26.2	380.2	98.9	190.3	91	-179.4	52.8
November 2016	571.5	129.3	322.9	119.3	217.9	37.1	153.2	27.6	353.6	92.2	169.7	91.7	-135.7	61.6
December 2016	585.3	140.9	311.1	133.3	193.9	33.7	132.6	27.6	391.4	107.2	178.5	105.7	-197.5	49.5
January 2017	406.3	102.3	212.2	92.4	139.5	26.6	92.2	20.7	266.8	75.7	120	71.7	-127.3	52.3
February 2017	509.3	126.3	270.4	112.6	176.6	34.5	117.0	25.1	332.7	91.8	153.4	87.5	-156.1	53.1
March 2017	643.3	148.8	343.7	150.8	212.1	44.9	126.4	40.8	431.2	103.9	217.3	110.0	-219	49.2
April 2017	515.7	130.5	276.1	109.1	154.2	37.2	94.1	22.9	361.5	93.3	182	86.2	-207.3	42.7
May 2017	575.1	123.3	317.2	134.6	174.7	34.5	112.3	27.9	400.4	88.8	204.9	106.7	-225.7	43.6
June 2017	559.9	128.4	305.4	260.7	171.1	39.1	110.2	21.8	388.8	89.3	195.2	104.3	-217.7	44.0
July 2017	588.4	130.7	335.1	122.6	191.6	38.3	126.1	27.2	396.8	92.4	209	95.4	-205.2	48.2
August 2017	637.3	149.2	354	134.4	207.6	72.3	137.3	28.3	429.7	106.9	216.7	106.1	-222.1	48.3
September 2017	654.9	147.3	366.3	141.3	224.1	38.9	151.1	34.1	430.8	108.4	215.2	107.2	-206.7	52
October 2017	734.1	157.4	419.2	157.5	268.2	43.6	187.9	36.7	465.9	113.8	231.3	120.8	-197.7	57.6
November 2017														
December 2017														

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

EXTERNAL SECTOR: FOREIGN TRADE IN GOODS														
Period	Total growth in value of merchandise trade sply, %				Growth rate of exports sply, %				Growth rate of imports sply, %				Growth rate of net export sply, %	Degree of imports coverage by exports sply, %
	Total	CIS	EU	Other countries	Total	CIS	EU	Other countries	Total	CIS	EU	Other countries		
2010	18.3	15.2	16.5	28.8	20.1	27.2	9.2	50.5	17.6	10.1	19.9	25.0	16.0	102.2
2011	37.3	40.0	37.2	32.6	43.8	47.3	48.6	13.7	34.7	36.3	32.4	36.6	28.6	106.8
2012	-0.5	-3.1	-0.2	3.8	-2.5	1.0	-6.4	2.7	0.4	-5.2	2.8	4.0	2.6	97.1
2013	7.4	1.7	8.3	15.1	12.3	-0.5	12.2	67.0	5.4	3.0	6.6	6.1	0.4	106.6
2014	-3.3	-15.8	5.7	-3.4	-3.7	-20.3	9.6	-2.7	-3.2	-13.3	3.9	-3.6	-2.8	99.5
2015	-22.2	-30.9	-16.8	-23.3	-15.9	-33.1	-2.3	-28.2	-2.5	-29.8	-23.9	-2.2	-32.2	112
2016	1.9	-4.6	4.2	3.6	3.9	-15.9	9.4	16.2	0.8	0.9	1.0	0.5	-2.3	103
Quarter I 2012	8.7	11.6	5.3	10.9	6.5	14.3	5.6	-12.9	9.7	10.4	5.1	16.7	12.0	97.2
Quarter II 2012	-0.3	-1.2	-1.5	4.4	2.9	6.8	0.3	-0.2	-1.5	-5.9	-2.2	5.3	-4.6	104.5
Quarter III 2012	-4.8	-6.4	-7.3	4.5	-7.8	0.5	-22.8	54.5	-3.5	-10.4	0.0	-1.0	-0.5	95.6
Quarter IV 2012	-3.5	-12.3	3.5	-2.2	-8.7	-10.9	-6.6	-8.8	-1.2	-13.0	8.7	-1.0	4.9	92.4
Quarter I 2013	7.2	2.8	7.4	15.6	16.9	22.5	3.2	62.0	3.2	-6.0	9.7	7.2	-6.7	113.2
Quarter II 2013	5.8	3.5	3.4	15.1	1.8	-8.3	-1.8	61.5	7.5	11.3	5.6	7.1	11.8	94.7
Quarter III 2013	11.3	3.6	13.5	19.4	19.4	-1.9	29.4	72.9	8.1	7.1	7.7	10.1	0.7	110.4
Quarter IV 2013	5.6	-2.3	9.1	10.9	12.0	-10.2	19.8	70.6	2.9	2.3	4.4	0.8	-3.5	108.8
Quarter I 2014	-2.2	-16.1	12.2	-7.1	-2.8	-26.6	22.5	-11.8	-2.0	-10.0	6.9	-5.8	-1.2	99.1
Quarter II 2014	1.6	-11.6	12.9	-3.5	9.6	-1.8	20.2	6.4	-1.7	-16.9	10.0	-6.1	-9.3	111.5
Quarter III 2014	-4.9	-17.7	5.2	-7.3	-6.5	-21.4	3.0	2.4	-4.2	-15.5	6.1	-9.9	-2.3	97.5
Quarter IV 2014	-7.1	-17.5	-4.8	3.6	-12.4	-29.1	-2.5	-7.9	-4.7	-11.6	-6.0	6.8	1.7	91.9
Quarter I 2015	-18.3	-30.3	-13.2	-11.5	-14.8	-42.5	0.3	-12.6	-19.9	-24.5	-21.1	-11.2	-24.3	106.4
Quarter II 2015	-21.5	-32.2	-16.1	-32.9	-15.8	-32.8	1.4	-34.1	-24.1	-31.9	-23.8	-16.9	-30.9	110.9
Quarter III 2015	-24.0	-30.6	-19.0	-27.0	-19.4	-32.1	-3.8	-41.5	-25.9	-29.8	-25.5	-22.6	-30.8	108.6
Quarter IV 2015	-24.8	-21.5	-19.6	-31.1	-13.8	-24.4	-6.4	-21	-29.4	-32.9	-24.8	-33.5	-41.5	122.4
Quarter I 2016	-10.8	-14.9	-8.1	-12.2	-14.6	-18.3	-16.9	2.9	-8.9	-13.7	-1.6	-16.1	-3.3	93.8
Quarter II 2016	-1.2	-8.4	-0.4	23	-3.2	-25.4	0.6	27	-0.2	22	-1	-0.5	2.9	97.9
Quarter III 2016	8.4	2.5	10.4	10.6	15.8	-9.5	24.9	28.7	5.0	8.9	2.9	6.4	-4.3	110.0
Quarter IV 2016	11.8	11.2	12.0	11.8	16.2	1	26.6	11.5	9.6	16.3	5.1	11.8	-2.6	106
Quarter I 2017	19.3	12.5	19.2	27.6	26.6	20.4	26.4	31.2	19.7	8.4	23.2	26.5	-6.4	109.4
Quarter II 2017	10.3	17.7	8	8.9	2.3	7.9	2.8	-7.2	14.2	22.3	14.1	13.7	-25.4	89.6
Quarter III 2017	25.7	15.5	13	20.4	18.3	5.5	21.6	22.7	22.4	19.9	7.3	19.7	-26.8	96.7

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

Period	EXTERNAL SECTOR: FOREIGN TRADE IN GOODS												
	Total growth in value of merchandise trade sply, %				Growth rate of exports sply, %				Growth rate of imports sply, %				Degree of imports coverage by exports sply, %
	Total	CIS	EU	Other countries	Total	CIS	EU	Other countries	Total	CIS	EU	Other countries	
January 2015	-14.9	-33.4	-4.2	-3.6	-13.4	-48.4	8.5	-16.0	-15.7	-26.8	-13.5	0.4	-18.3
February 2015	-22.2	-34.1	-15.6	-19.2	-12.1	-43.7	5.2	-9.4	-26.8	-29.8	-27.5	-21.6	-39.0
March 2015	-17.2	-23.5	-16.8	-9.9	-18.4	-36.3	-10.1	-12.7	-16.6	-16.9	-20.2	-9.2	-15.2
April 2015	-24.6	-33.2	-18.1	-29.6	-22.2	-46.1	0.4	-39.2	-25.7	-25.4	-25.5	-26.2	-28.3
May 2015	-21.1	-30.3	-16.8	-21.1	-14.3	-30.9	1.1	-35.1	-24.3	-29.9	-25.3	-17.4	-33.1
June 2015	-18.8	-33.0	-13.5	-10.9	-11.0	-23.3	2.7	-26.3	-22.3	-39.4	-20.5	-6.9	-31.5
July 2015	-22.3	-27.6	-18.4	-25.1	-19.3	-29.2	-3.1	-46.3	-23.7	-26.6	-24.8	-18.4	-27.5
August 2015	-27.7	-30.1	-25.2	-30.9	-27.8	-32.3	-19.1	-45.9	-27.7	-29.1	-27.8	-25.7	-27.6
September 2015	-22.2	-34.1	-14.0	-25.4	-11.6	-35.4	10.1	-31.8	-26.4	-33.5	-24.1	-23.7	-36.4
October 2015	-24.3	-33.5	-18.5	-26.0	-11.3	-29.8	2.1	-19.0	-30.0	-35.5	-28.3	-27.7	-44.8
November 2015	-25.4	-31.3	-19.7	-30.7	-19.7	-27.4	-17.8	-14.0	-28.0	-32.8	-20.8	-34.5	-34.6
December 2015	-24.9	-26.6	-17.4	-36.4	-9.8	-12.0	-2.2	-27.8	-30.2	-30.8	-24.6	-37.2	-41.6
January 2016	-22.3	-22.4	-21.9	-23.4	-21.1	-31.9	-2.2	0.5	-2.3	-19.4	-21.7	-29.9	-25.4
February 2016	-9.5	-13.5	-9.4	-4.8	-16.4	-14.7	-18.9	-4.8	-5.7	-13.1	-1.3	-4.8	6
March 2016	-3.6	-9.8	2.5	-10.4	-7.3	-11.8	-9.8	11.6	-1.9	-9	9.5	-15.4	2.2
April 2016	10.9	9.3	7.5	2.2	17.9	13.5	11.7	51	7.7	7.5	5.2	14	-1.0
May 2016	-4	-8.7	-5.9	4.8	-11.5	-32.9	-10.7	34	1.0	8.7	-2.8	-1.4	13
June 2016	-9.4	-24.3	-2.3	-10.1	-12.8	-4.2	2.3	-4.1	-7.6	-9.7	-4.8	-11.4	-0.3
July 2016	-5.2	-15.2	-0.2	-5.5	0.4	-31.4	12.4	28.9	-7.9	-4.7	-7	-12.7	-15.7
August 2016	21.9	10.6	24.0	31.5	32.1	14.6	40.5	35.6	17.6	8.8	16	30.4	-6.8
September 2016	10.8	14.4	10.0	8.8	18.5	-2.7	25.3	22.9	7.1	22.6	0.8	54	-3.6
October 2016	4.6	5.2	6.4	-0.6	3.7	14.2	1.5	-0.4	5.1	1.7	11.0	-0.6	-6.7
November 2016	-1.7	-8.9	0.2	1.8	8.5	-12.7	15.9	5.3	-7	-6.8	-10.9	0.8	-14.4
December 2016	2.4	8.9	-3.7	11.7	-11.1	-9.2	-13.4	1	10.7	16.3	5.2	15.3	45.5
January 2017	25.4	9.1	30.2	37.3	19.5	35	18.2	8.6	28.7	2.2	41.3	47.2	40.3
February 2017	19.7	15.9	21.8	19.4	27.5	20.6	30.3	25.0	15.9	14.2	15.8	18.0	5.1
March 2017	15.5	12	11.8	29.2	31.5	22.4	29.3	51.7	17.6	8.3	20	22.6	-6.1
April 2017	-3.4	6.2	-4.5	-10.2	-13.6	-3.6	-11.1	-32.6	1.8	10.6	-0.7	-1.5	17.4
May 2017	19.6	21	19.8	18.7	14.2	15.8	14.5	11.1	22	21.5	23	20.8	29
June 2017	16.1	29.8	9.6	49.2	8.7	11.1	6.0	14.1	19.7	38.2	11.8	22	27.8
July 2017	22.6	18.2	23.1	27	15.6	0.8	17	19.0	26.3	22.5	26.7	29.2	-30.6
August 2017	22.8	19.5	27.5	15.3	23.6	3.4	33.2	17.9	22.4	27.3	24.2	14.6	-21.3
September 2017	17.9	9.6	20.9	19.9	15.8	4.6	16.1	29.7	19.1	11.5	24.4	17.2	-23
October 2017	26.4	11.5	30	34.4	33.6	2.6	42.2	40.1	22.5	15.1	21.5	32.7	-10.2
November 2017													
December 2017													

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

EXTERNAL SECTOR: INDICES OF TRADE IN GOODS						
Period	Value indices of exported goods (the same period of the previous year=100), %	Value indices of imported goods (the same period of the previous year=100), %	Unit value indices of exported goods (the same period of the previous year=100), %	Unit value indices of imported goods (the same period of the previous year=100), %	Volume indices of exported goods (the same period of the previous year=100), %	Volume indices of imported goods (the same period of the previous year=100), %
2010	120.1	117.6	103.0	103.0	117.0	114.0
2011	143.8	134.7	107.0	110.0	134.0	122.0
2012	97.5	100.4	97.0	99.0	101.0	101.0
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 2012	106.7	109.7	98.0	103.0	109.0	106.0
Quarter II 2012	102.9	98.5	95.0	96.0	108.0	103.0
Quarter III 2012	92.2	96.5	94.0	95.0	98.0	102.0
Quarter IV 2012	91.3	98.8	99.0	100.0	92.0	99.0
Quarter I 2013	115.4	103.2	102.0	100.0	113.0	103.0
Quarter II 2013	100.4	107.5	99.0	98.0	101.0	110.0
Quarter III 2013	119.4	108.1	97.0	100.0	122.0	108.0
Quarter IV 2013	112.0	102.9	92.0	98.0	120.0	105.0
Quarter I 2014	97.2	98.0	97.2	98.0	106.0	100.0
Quarter II 2014	109.6	98.3	97.0	100.0	113.0	98.0
Quarter III 2014	93.5	95.8	95.0	97.0	98.0	99.0
Quarter IV 2014	88.1	92.3	89.0	92.0	100.0	104.0
Quarter I 2015	85.2	80.1	80.0	79.0	106.0	101.0
Quarter II 2015	84.2	75.9	79.0	79.0	107.0	96.0
Quarter III 2015	80.6	74.1	84.0	78.0	96.0	95.0
Quarter IV 2015	86.3	70.6	89.0	78.0	97.0	91.0
Quarter I 2016	85.5	91.1	95.0	88.0	90.0	104.0
Quarter II 2016	96.6	99.9	98.0	93.0	99.0	107.0
Quarter III 2016	115.9	105.1	95.9	94.2	120.9	111.5
Quarter IV 2016	118.0	109.8	95.7	98.9	123.3	111.1
Quarter I 2017	126.8	119.7	99.4	99.7	127.6	120.1
Quarter II 2017	102.3	114.3	97.4	100.8	105	113.3
Quarter III 2017						

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

EXTERNAL SECTOR													
	Value of exports, mln. USD												
	Q1/15	Q2/15	Q3/15	Q4/15	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q1/17	Q2/17	Q3/17	T4/17	
Total export	488.0	504.8	455.4	519.2	417.2	488.8	527.3	612.7	528.2	500.0	623.6		
<i>Agri-food products</i>	243.6	233.2	177.6	131.5	176.1	205.8	230.6	329.4	238.7	191.4	282.6		
<i>Fruits and vegetables</i>	70.9	59.6	42.7	81.0	41.5	34.1	32.8	61.4	48.8	25.4	43.8		
<i>Cereals</i>	38.4	29.1	37.7	23.5	14.2	37.7	70.3	43.1	32.9	20.5	76.4		
<i>Oil seeds</i>	51.4	52.0	26.1	47.9	36.3	49.6	33.4	82.7	58.3	44.9	54.3		
<i>Beverages</i>	33.1	35.1	40.1	46.5	35.5	42.8	45.8	43.0	41.8	49.1	52.5		
<i>Oils</i>	22.7	25.7	1.2	22.4	13.3	11.5	1.4	28.0	13.2	11.7	1.2		
<i>Minerals</i>	2.2	2.5	3.8	1.6	2.2	2.9	4.3	4.5	6.0	6.0	8.5		
<i>Electrical equipment and machinery</i>	57.8	62.0	59.5	56.2	53.0	62.7	66.4	69.2	70.2	80.4	90.4		
<i>Clothing</i>	51.0	61.9	62.1	54.5	54.8	61.8	67.0	59.3	61.6	63.7	73.5		
<i>Drugs</i>	13.4	21.4	17.5	23.9	4.5	11.5	14.0	18.9	11.6	14.4	19.2		
<i>Furniture</i>	22.9	22.4	25.0	27.4	29	29.7	34.4	31.6	31.8	34	36.9		
	Value of imports, mln.USD												
	Q1/15	Q2/15	Q3/15	Q4/15	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Q1/17	Q2/17	Q3/17	T4/17	
TOTAL	976.1	1009.2	977.0	1024.4	861.1	1007.2	1026.9	1125.2	1030.7	1150.7	1257.4		
<i>Food products</i>	20.6	23.3	25.7	30.3	23.2	24.9	28.7	30.2	27.3	31.8	35.0		
<i>Oils, fats</i>	4.9	5	4.6	5.8	4.7	6.3	7.2	5.8	5.2	6.4	7.9		
<i>Beverages and tobacco</i>	16.2	26	30.8	26.3	22.7	27.5	29.9	29.6	17.5	31.2	37.6		
<i>Mineral products</i>	237.0	168.1	156.2	172.3	159.3	130.4	140.9	199.5	177.5	175.6	184.5		
<i>Pharmaceutical products</i>	38.0	47.1	41.9	69.9	28.1	44.9	46.4	64.6	47.9	55.9	56.5		
<i>Machinery and equipments, recorder...</i>	76.9	75.9	87.3	87.4	61.8	79.2	92.5	110.2	84.2	93.9	108.1		
<i>Plastics and plastic products</i>	50.7	65.5	72.0	65.7	51.4	66.1	75.0	65.3	53.8	72.7	82.6		

Source: Calculations according to the data of the National Bureau of Statistics.

DEMOGRAPHIC SITUATION																
Period	Number of the resident population (thou. pers.) <i>beginning-year</i>		Number of the present population (thou. pers.) <i>beginning-year</i>		Live-births		Deceased		Infant deaths		Natural increase		Marriages		Divorces	
					Number of live-births- total (pers.)	Per 1000 people live- births	Number of deceased- total (pers.)	Per 1000 people - deaths	Number of infant deaths- total (pers.)	Per 1000 people	Natural increase (pers.)	Per 1000 people	Number of marriages- total (number)	Marriages per 1000 people	Number of divorces- total (number)	Divorces per 1000 people
2012	3559.5	3412.6	39435	11.1	39560	11.1	387	9.8	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	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	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	374	9.7	-1338	-0.3	24689	6.9	11106	3.1
2016	3550.9	3369.1	37394	10.5	38487	10.8	353	9.4	353	9.4	-1095	0.3	21992	6.2	10605	3.0
January 2013			3371	11.2	4089	13.5	35	10.4	35	10.4	-718	-2.3	1229	4.1	1115	3.7
February 2013			6177	10.7	7405	12.9	66	7.9	66	7.9	-1228	-2.2	2409	4.2	1854	3.2
March 2013			8974	10.2	10859	12.4	92	8.4	92	8.4	-1885	-2.2	3899	4.4	2919	3.3
April 2013			11744	10.0	14169	12.1	122	9.6	122	9.6	-2425	-2.1	4615	3.9	3726	3.2
May 2013			14732	10.0	17285	11.7	152	9.8	152	9.8	-2553	1.7	6646	4.5	4768	3.2
June 2013			17779	10.1	19936	11.3	178	10.1	178	10.1	-2157	1.2	9014	5.1	5506	3.1
July 2013			21204	10.3	22592	10.9	209	9.9	209	9.9	-1388	-0.6	10927	5.3	6331	3.1
August 2013			24632	10.4	25105	10.6	232	9.4	232	9.4	-473	-0.2	14406	6.1	7097	3.0
September 2013			27960	10.5	27907	10.5	266	9.5	266	9.5	53	0.0	18039	6.8	7794	2.9
October 2013			31880	10.8	31416	10.6	294	9.2	294	9.2	464	0.2	21038	7.1	8644	2.9
November 2013			35030	10.8	34724	10.7	325	9.3	325	9.3	306	0.1	23369	7.2	9745	3.0
December 2013			37871	10.6	38060	10.7	359	9.4	359	9.4	-189	-0.1	24449	6.9	10775	3.0
Quarter I 2014			8985	10.2	10956	12.5	99	11.0	99	11.0	-1971	-2.3	4152	4.7	2957	3.4
Quarter II 2014			18248	10.3	20542	11.6	188	10.3	188	10.3	-2294	-1.3	9876	5.6	5653	3.2
Quarter III 2014			29068	10.9	28932	10.9	280	9.6	280	9.6	136	0.0	19319	7.3	8141	3.1
Quarter IV 2014			38616	10.9	39494	11.1	372	9.6	372	9.6	-878	-0.2	25624	7.2	11130	3.1
Quarter I 2015			9179	10.5	11166	12.7	90	9.8	90	9.8	-1987	-2.2	3893	4.4	2864	3.3
Quarter II 2015			18522	10.5	21049	11.9	182	9.8	182	9.8	-2527	-1.4	9553	5.4	5724	3.2
Quarter III 2015			28881	10.9	29725	11.2	272	9.4	272	9.4	-844	-0.3	18727	7.0	8270	3.1
Quarter IV 2015			38567	10.9	39906	11.2	374	9.7	374	9.7	-1338	-0.3	24689	6.9	11106	3.1
Quarter I 2016			9342	10.6	10752	12.2	99	10.6	99	10.6	-1410	-1.6	3679	4.2	2767	3.1
Quarter II 2016			18258	10.3	20160	11.4	179	9.8	179	9.8	-1902	-1.1	8661	4.9	5574	3.2
Quarter III 2016			28264	10.6	28626	10.8	256	9.1	256	9.1	-362	-0.2	16872	6.3	7955	3.0
Quarter IV 2016			37390	10.5	38487	10.8	352	9.4	352	9.4	-1097	-0.3	21916	6.2	10650	3.0
Quarter I 2017			8526	9.6	10834	12.2	86	n/d	86	n/d	-2308	-2.6	3343	3.8	2498	2.8
Quarter II 2017			16868	9.5	19775	11.2	174	n/d	174	n/d	-2907	-1.6	8060	4.6	4980	2.8
Quarter III 2017			26049	9.8	27585	10.4	251	n/d	251	n/d	-1536	-0.6	16366	6.1	6978	2.6

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

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.)			
	Number of economically active population (thou pers.)				Total				men				women			
	Total	men	women	urban	rural	Total	men	women	urban	rural	Total	men	women	urban	rural	Total
2012	1214.5	40.7	43.5	38.2	47.0	36.0	1146.8	38.4	40.6	36.5	43.6	67.7	5.6	6.8	4.3	7.3
2013	1235.9	41.4	44.5	38.6	45.6	38.1	1172.8	39.3	41.8	37.0	42.8	63.1	5.1	6.0	4.1	6.3
2014	1232.4	41.2	44.1	38.6	44.1	39.1	1184.9	39.6	42.1	37.4	41.8	47.5	3.9	4.6	3.1	5.2
2015	1265.6	42.4	45.1	39.9	44.9	40.4	1203.6	40.3	42.3	38.4	42.0	62.1	4.9	6.2	3.6	6.4
2016	1272.8	42.6	45.4	40.1	45.0	40.8	1219.5	40.8	40.8	43.0	39.0	53.3	4.2	5.5	2.9	6.0
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	79.8	7.2	9.5	5.0	8.1
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	57.6	4.5	5.4	3.6	6.8
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	62.2	4.8	5.9	3.7	7.3
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	71.4	5.9	7.0	4.9	7.0
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	90.8	8.1	10.2	6.0	8.2
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	60.8	4.7	5.6	3.8	6.4
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	51.4	3.9	4.1	3.6	5.3
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	49.3	4.1	4.8	3.3	5.2
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	57.5	5.1	6.1	4.1	6.0
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	48.5	3.7	4.1	3.2	5.8
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	43.9	3.3	4.0	2.6	4.6
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	40.2	3.5	4.5	2.4	4.2
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	97.9	8.5	11.2	5.7	9.2
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	55.1	4.1	5.2	3.0	6.2
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	44.0	3.3	3.9	2.6	5.0
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	51.2	4.2	4.8	3.6	5.6
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	74.4	6.2	8.3	4.0	8.4
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	4.0	5.6	2.5	6.8
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	38.7	2.9	3.4	2.4	4.3
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	44.9	3.8	4.8	2.7	4.5
Quarter I 2017	1201.6	40.3	43.7	37.2	45.0	36.5	1125.7	37.7	40.2	35.5	41.7	75.8	6.3	8.0	4.5	7.2
Quarter II 2017	1316.0	44.1	48.1	40.5	44.4	43.9	1270.3	42.6	46.3	39.2	42.2	45.7	3.5	3.8	3.2	5.0
Quarter III 2017	1308.7	43.9	46.9	41.1	45.1	42.9	1264.1	42.4	45.2	39.9	42.4	44.6	3.4	3.7	3.1	5.8

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

Period	REMUNERATION OF LABOR									
	Average monthly salary - Total			Index of nominal monthly salary (comparative to previous year), %				Index of real monthly salary (comparative to previous year), %		
	MDL	USD	EUR	MDL	USD	EUR	MDL	USD	EUR	
January 2015	4260.6	256.5	219.1	112.8	89.4	104.1				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
Quarter I 2017	5218.9	261.5	245.6	111.3	112.0	115.9				111.3
Quarter II 2017	5636.7	300.6	273.7	113.2	119.5	122.8				105.7
Quarter III 2017	5809.1	324.2	276.3	111.1	122.7	116.8				103.4

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

Economic activities	REMUNERATION OF LABOR BY ECONOMIC ACTIVITIES																
	Total economy	Agriculture, forestry and fishing	Industry	Constructions	Wholesale and retail trade, maintenance and repair of vehicles and motorcycles	Transport and storage	Accommodation and food service activities	Information and communications	Financial and insurance activities	Real estate transactions	Professional, scientific and technical activities	Activities of administrative and support services	Public administration and defense; mandatory social insurance	Education	Health and social assistance	Art, recreation and leisure activities	Other service activities
January	4260.6	2602.8	4514.4	3950.8	3552.4	4130.6	2827.6	8533.6	7683.3	4014.8	5735.9	3634.2	5460.4	3579.9	4149.9	3086.1	5647.1
February	4241.2	2576.2	4445.4	4011.3	3559.2	3940.4	2781.9	8889.3	7305.5	3942.7	5790.8	3291.5	5568.9	3664.6	3984.6	3059.4	6582.6
March	4397.3	2834.8	4707.1	4229.2	3657.1	4113.4	2904.1	9650.7	8825.2	4028.8	6064.7	3334.9	5792.4	3609.6	4028.2	2922.5	6015.5
April	4526.5	2815.9	4994.9	4369.0	3797.5	4406.4	2851.2	10443.5	9595.3	4257.0	5785.6	3531.6	5493.6	3549.6	4454.3	2832.5	6776.7
May	4524.0	2900.1	4845.4	4581.7	3826.5	4566.5	2970.3	9400.4	8092.1	4259.6	6248.4	3641.5	5503.1	3811.8	4469.8	2996.3	6870.4
June	4732.7	2936.6	4936.5	4687.3	3974.5	4369.3	3081.0	9611.4	8471.0	4119.4	6558.3	3715.0	5997.0	4304.3	4562.2	3180.2	7943.6
July	4882.6	3233.9	5076.0	4762.1	4054.1	4541.4	3219.2	9640.5	10121.3	4316.4	6854.3	3739.9	6604.3	4122.9	4726.5	3113.3	7183.5
August	4669.1	2878.7	5027.4	4690.4	3977.6	4615.6	3181.1	9392.6	8235.3	4112.6	6442.1	3816.8	5841.1	4109.8	4398.1	2839.3	6609.8
September	4694.9	3484.0	5150.1	4781.2	4034.8	4596.3	3204.1	12024.8	8005.3	4195.9	6449.9	3729.6	5347.9	3778.1	4243.6	2954.1	7398.9
October	4564.9	3395.4	4942.8	4761.8	4013.8	4485.7	3220.2	9725.0	8736.8	4231.5	6362.7	3773.5	5324.0	3648.5	4250.2	2918.1	7143.9
November	4613.4	3363.1	5007.2	4637.6	3937.5	4271.0	3131.7	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	4643.6	4284.5	4399.2	3317.0	12310.5	10503.5	4384.4	6803.8	4034.6	5593.3	3686.0	4207.1	2940.7	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	5341.5	4716.6	5014.4	3585.0	12900.0	9259.6	4803.0	6616.8	4292.0	5733.0	4115.0	4909.5	3140.9	9381.8
October	5109.2	3474.4	5370.4	5351.0	4627.9	4864.0	3565.5	10882.5	9783.2	4938.1	6770.2	4295.0	5685.9	3977.3	5499.4	3107.2	9053.7
November	5204.4	3672.7	5468.4	5413.8	4645.6	4682.0	3450.2	10481.0	10336.0	4921.6	7127.9	4380.4	5975.4	4156.7	5353.8	3304.2	9530.1
December	6003.7	4154.0	6446.6	5762.3	5209.7	5316.3	3657.5	11962.2	16536.4	5599.0	7673.1	4585.8	6859.3	4125.0	7061.8	3399.0	10678.5
2016	5084.0	3321.4	5353.7	5064.5	4558.0	4746.3	3454.8	11027.5	10338.9	4779.6	6806.8	4144.3	6144.2	4017.7	5010.0	3130.1	9081.0
Quarter I 2017	5218.9	3265.6	5276.5	4784.8	4713.4	4797.7	3495.2	11567.4	9821.9	4634.6	6908.5	4336.6	7197.4	4085.6	5066.8	3318.1	7039.6
Quarter II 2017	5636.7	3554.6	5812.6	5577.6	5047.8	5244.8	3680.1	12553.8	10503.2	5010.6	7448.0	4651.2	7258.2	4530.6	5718.6	3307.2	7406.0
Quarter III 2017	5809.1	4035.5	6112.6	5884.2	5304.7	5650.6	3965.9	12775.1	10763.9	5337.0	7413.5	5019.8	7272.2	4565.9	5517.3	3209.3	7547.7

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

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

Period	HOUSEHOLD DISPOSABLE REVENUES						
	Household disposable revenues MDL	Structure of household disposable revenues, %					
		Employment activity	Agricultural individual activity	Non-agricultural individual activity	property	Social benefits	Other sources
2012	1508.8	42.7	9.6	7.2	0.2	19.2	21.2
2013	1681.4	41.6	9.1	6.9	0.2	19.9	22.3
2014	1767.5	41.6	9.5	6.6	0.1	20.2	21.9
2015	1956.6	41.4	9.0	6.9	0.2	20.9	21.6
2016	2060.1	42.1	8.3	6.6	0.2	22.1	20.8
Quarter I 2012	1439.3	43.9	10.1	5.9	0.1	18.4	21.6
Quarter II 2012	1523.1	43.7	9.8	6.3	0.6	19.0	20.7
Quarter III 2012	1507.3	41.4	9.1	8.5	0.0	20.6	20.4
Quarter IV 2012	1572.5	41.7	9.3	8.0	0.1	18.8	22.1
Quarter I 2013	1559.8	42.5	9.1	6.4	0.3	19.4	22.3
Quarter II 2013	1667.2	43.7	10.0	6.3	0.1	18.8	21.0
Quarter III 2013	1755.5	41.9	8.8	7.2	0.2	20.3	21.7
Quarter IV 2013	1743.0	38.7	8.4	7.5	0.2	20.9	24.3
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	2027.8	42.4	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
Quarter I 2017	2134.5	40.2	8.6	5.4	0.0	23.7	22.1
Quarter II 2017	2227.6	43.2	7.3	6.5	0.0	22.0	21.0
Quarter III 2017	2224.4	43.5	8.0	4.4	0.1	25.8	18.2

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

HOUSEHOLD CONSUMER EXPENDITURES													
Period	Household consumer expenditures structure, %												
	Household consumer expenditures MDL	Food products	alcoholic beverages, tobacco	clothing and footwear	household and maintenance	endowment house	health	transport	services and communications	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 2012	1510.8	43.7	1.6	10.9	18.3	3.0	6.2	3.8	4.5	1.1	1.1	2.1	3.7
Quarter II 2012	1582.6	43.7	1.6	11.2	18.5	3.3	4.8	4.5	4.5	1.4	0.9	1.8	3.8
Quarter III 2012	1675.3	42.0	1.7	10.3	19.0	4.1	6.5	4.3	4.3	1.9	1.0	1.3	3.6
Quarter IV 2012	1624.4	43.3	1.7	10.2	18.3	3.7	5.0	4.4	4.2	1.4	1.0	1.8	5.0
Quarter I 2013	1656.1	43.4	1.7	9.6	18.3	3.2	6.7	4.6	4.5	1.3	0.8	1.8	4.1
Quarter II 2013	1761.8	44.3	1.5	10.6	19.0	3.2	4.7	4.9	4.3	1.0	0.9	1.5	4.1
Quarter III 2013	1888.0	40.9	1.4	10.2	20.3	3.8	5.8	5.1	4.0	2.0	0.8	1.7	4.0
Quarter IV 2013	1798.5	43.0	1.6	10.9	19.1	4.2	5.5	4.1	4.1	1.8	0.8	1.2	3.8
Quarter I 2014	1733.7	43.9	1.2	10.4	18.6	3.2	6.6	4.4	4.5	1.2	0.6	1.2	4.1
Quarter II 2014	1807.9	44.9	1.4	10.3	18.3	3.2	5.5	4.4	4.5	0.9	0.9	1.6	4.1
Quarter III 2014	1832.0	43.6	1.2	10.7	19.9	3.8	5.3	4.1	4.2	1.2	0.7	1.5	3.8
Quarter IV 2014	1893.7	42.9	1.5	11.1	18.7	3.9	5.2	4.4	4.2	1.7	0.7	1.5	4.1
Quarter I 2015	1913.3	41.5	1.4	10.9	17.1	3.5	7.7	4.9	4.4	1.6	0.6	1.7	4.8
Quarter II 2015	2075.9	41.9	1.4	11.0	17.9	4.0	6.3	4.7	4.5	1.1	0.6	2.0	4.5
Quarter III 2015	2132.7	41.5	1.4	11.8	18.9	4.1	6.2	4.0	4.1	1.5	0.7	1.4	4.3
Quarter IV 2015	2072.9	43.3	1.5	11.0	17.6	4.1	5.9	4.6	4.2	1.2	0.7	1.8	4.1
Quarter I 2016	2058.1	42.0	1.4	9.7	17.5	3.6	6.3	7.3	4.3	1.2	0.6	1.1	5.0
Quarter II 2016	2079.6	43.3	1.5	10.7	18.5	3.8	5.8	4.1	4.4	1.1	0.8	1.5	4.5
Quarter III 2016	2199.7	41.3	1.7	10.8	18.0	4.1	7.4	4.3	4.3	1.7	0.7	1.6	4.1
Quarter IV 2016	2129.8	43.9	1.4	10.8	17.3	4.4	5.9	3.3	5.6	1.1	0.6	1.6	4.1
Quarter I 2017	2091.0	44.1	1.4	9.7	18.7	3.8	6.3	3.5	4.6	1.5	0.7	1.5	4.3
Quarter II 2017	2245.3	44.3	1.6	10.4	18.4	3.8	5.5	3.9	4.5	1.2	0.5	1.4	4.3
Quarter III 2017	2301.0	43.0	1.4	10.8	19.8	4.0	5.7	3.5	4.2	1.1	0.3	1.8	4.3

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

Period	CRIMES																						
	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 injuryies	Total	Rape	Total	Theft	Brigandage	Robbery	Fraud	Pocket-picking	Blackmail	Total	Drug related crimes	Total	Trafficking in children	Total	Contraband	Manufacture of counterfeit currency	Total	Hooliganism		
Recorded crimes - total, (cases)																							
		36615	1755	223	325	617	360	18751	14294	167	1175	1651	540	64	1785	1575	953	20	1928	163	1156	1514	1284
2012		38157	1647	215	324	608	349	20391	15378	146	1144	2065	741	88	1305	1166	1474	20	1002	151	344	1625	1444
2013		41786	1542	172	320	647	352	21875	16729	125	1127	2068	836	77	1439	1288	2423	24	1305	216	286	1804	1614
2014		39782	1389	177	252	639	303	20588	15363	113	994	2077	1011	67	1362	1191	2058	38	1429	229	433	1752	1491
2015		41921	1505	189	250	642	341	22440	18238	128	1082	2390	1598	92	1330	1153	1836	28	1132	240	216	1954	1699
2016		8250	326	55	66	154	91	4630	3535	47	267	424	182	17	308	274	317	7	224	30	84	383	341
Quarter I 2013		18098	767	114	140	306	172	10004	7563	83	550	1002	378	39	568	496	663	14	492	68	188	784	694
Quarter II 2013		27320	1175	150	220	455	258	14624	11037	121	829	1513	494	67	951	850	1067	17	724	103	256	1151	1025
Quarter III 2013		38157	1647	215	324	608	349	20391	15378	146	1144	2065	741	88	1305	1166	1474	20	1002	151	344	1625	1444
Quarter IV 2013		8940	336	42	67	156	91	4489	3350	28	245	467	173	25	316	276	492	6	319	54	46	389	352
Quarter I 2014		18138	769	115	140	306	172	10012	7563	84	550	1007	378	41	575	503	663	14	501	73	188	786	694
Quarter II 2014		30328	1116	129	223	497	279	15620	11828	83	840	1577	571	55	1093	979	1810	14	930	156	176	1296	1163
Quarter III 2014		41786	1542	172	320	647	352	21875	16729	125	1127	2068	836	77	1439	1288	2423	24	1305	216	286	1804	1614
Quarter IV 2014		8875	276	39	63	130	63	4601	3339	40	239	439	264	12	332	299	529	5	324	47	104	421	358
Quarter I 2015		18696	599	74	118	286	139	9615	7143	72	462	919	514	23	716	632	1039	19	713	97	259	847	722
Quarter II 2015		28583	950	118	171	478	224	14462	10793	87	714	1429	704	47	1079	955	1563	30	1012	145	333	1289	1100
Quarter III 2015		39782	1389	177	252	639	303	20588	15363	113	994	2077	1011	67	1362	1191	2058	38	1429	229	433	1752	1491
Quarter IV 2015		9808	351	46	68	141	65	5338	3916	43	247	546	365	23	285	244	466	5	247	47	47	426	366
Quarter I 2016		20588	724	88	127	316	170	11147	8149	66	485	1193	771	47	597	508	1065	14	560	120	105	925	797
Quarter II 2016		30719	1088	140	181	480	264	16381	11942	93	792	1707	1096	72	1001	880	1581	23	810	150	144	1436	1245
Quarter III 2016		41921	1505	189	250	642	341	22440	18238	128	1082	2390	1598	92	1330	1153	1836	28	1132	240	216	1954	1699
Quarter IV 2016		8287	n/d	41	48	n/d	59	n/d	2835	34	198	n/d	n/d	n/d	n/d	287	n/d	n/d	n/d	n/d	n/d	n/d	331
Quarter I 2017		16778	n/d	76	89	n/d	136	n/d	5754	49	367	n/d	n/d	n/d	n/d	564	n/d	n/d	n/d	n/d	n/d	n/d	635
Quarter II 2017		25818	n/d	113	137	n/d	215	n/d	8735	65	612	n/d	n/d	n/d	n/d	961	n/d	n/d	n/d	n/d	n/d	n/d	1052

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