

Table 1. Moldova: Selected Indicators, 2008–16 1/

	2008	2009	2010	2011	2012	2013	2014	2015	2016
	Projection								
I. Real sector indicators									
	(Percent change, unless otherwise indicated)								
Gross domestic product									
Real growth rate	7.8	-6.0	6.9	5.0	5.0	5.0	4.5	4.5	5.0
Demand	6.0	-15.1	9.1	8.1	6.7	6.6	5.4	5.0	5.4
Consumption	5.7	-6.9	7.2	6.2	6.1	5.6	4.3	4.4	4.8
Private	5.8	-8.0	9.0	7.2	6.8	6.2	4.5	4.4	4.9
Public	5.0	-2.0	0.3	1.8	3.1	3.1	3.2	4.1	4.5
Gross capital formation	2.2	-30.9	17.2	14.8	9.8	11.2	10.6	7.6	7.6
Private	4.1	-32.1	18.6	15.0	8.0	8.0	8.0	8.0	8.0
Public	-4.5	-26.4	12.1	14.1	16.4	22.5	18.7	6.4	6.6
Nominal GDP (billions of Moldovan lei)	62.9	60.4	71.8	82.1	91.6	101.0	110.8	121.6	134.1
Nominal GDP (billions of U.S. dollars)	6.1	5.4	5.8	7.0	7.7	8.4	9.2	10.1	11.1
Consumer price index (average)	12.7	0.0	7.4	7.2	6.9	5.0	5.0	5.0	5.0
Consumer price index (end of period)	7.3	0.4	8.1	8.0	5.7	5.0	5.0	5.0	5.0
GDP deflator	9.2	2.2	11.2	8.8	6.3	5.0	5.0	5.0	5.0
Average monthly wage (Moldovan lei)	2,530	2,748	2,972	3,350	3,690	4,068	4,464	4,898	5,400
Average monthly wage (U.S. dollars)	243	247	240	286	309	340	371	406	446
Unemployment rate (annual average, percent)	4.0	6.4	7.4	7.3	7.0	6.5	5.5	5.0	5.0
Saving-investment balance									
	(Percent of GDP)								
Foreign saving	17.3	9.8	10.2	11.2	11.0	10.3	9.5	8.7	8.0
National saving	16.7	12.8	12.5	12.9	13.8	15.4	17.0	18.1	19.1
Private	10.6	14.5	9.9	9.8	9.0	9.8	10.8	11.8	12.7
Public	6.0	-1.7	2.7	3.2	4.8	5.5	6.3	6.3	6.4
Gross investment	34.0	22.6	22.7	24.1	24.8	25.6	26.5	26.8	27.1
Private	27.0	17.6	17.9	19.1	19.3	19.4	19.6	19.9	20.1
Public	7.0	5.0	4.8	5.0	5.5	6.3	7.0	7.0	7.0
II. Fiscal indicators (general government)									
Primary balance (cash)	0.2	-5.0	-1.7	-1.1	0.0	0.0	-0.1	-0.1	-0.1
Overall balance	-1.0	-6.3	-2.5	-1.9	-0.8	-0.7	-0.7	-0.6	-0.5
Stock of public and publicly guaranteed debt	22.0	32.4	30.3	29.6	29.9	27.9	26.6	24.7	22.5
III. Financial indicators									
	(Percent change, unless otherwise indicated)								
Broad money (M3)	15.9	3.2	13.4	15.4	13.1	10.3	9.7	9.7	10.3
Velocity (GDP/end-period M3; ratio)	2.0	1.8	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Reserve money	22.0	-10.1	15.9	22.0	12.0	...	...	...	...
Credit to the economy 2/	29.2	-13.4	16.2	20.0	16.8	...	...	...	...
IV. External sector indicators									
	(Millions of U.S. dollars, unless otherwise indicated)								
Current account balance	-1049	-534	-590	-783	-848	-865	-871	-876	-885
Current account balance (percent of GDP)	-17.3	-9.8	-10.2	-11.2	-11.0	-10.3	-9.5	-8.7	-8.0
Remittances and compensation of employees (net)	1,796	1,124	1,282	1,592	1,785	1,985	2,166	2,394	2,632
Gross official reserves	1,672	1,480	1,718	2,033	2,317	2,459	2,738	3,003	3,294
Gross official reserves (months of imports)	5.0	3.9	3.7	3.9	4.0	3.9	3.9	3.9	4.0
Exchange rate (Moldovan lei per U.S. dollar, period average)	10.4	11.1	12.4	...	...	...	...	...	...
Exchange rate (Moldovan lei per U.S. dollar, end of period)	10.4	12.3	12.2	...	...	...	...	...	...
Real effective exch.rate (average, percent change)	17.7	5.2	-7.4	4.3	0.1	1.5	1.5	1.5	1.5
Real effective exch.rate (end-year, percent change)	25.1	-16.2	5.3	1.1	1.5	1.5	1.5	1.5	1.5
External debt (percent of GDP) 3/	55.6	66.0	68.1	65.6	69.4	69.5	68.4	66.5	63.5
Debt service (percent of exports of goods and services)	14.9	19.9	17.5	19.4	17.5	14.2	15.6	16.2	15.8

Sources: Moldovan authorities; and IMF staff estimates.

1/ Data exclude Transnistria.

2/ At constant program exchange rate.

3/ Includes private and public and publicly guaranteed debt.

Table 2. Moldova: Balance of Payments, 2007–16

(Millions of U.S. dollars, unless otherwise indicated)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
				Est.			Projection			
Current account balance	-726	-1,049	-534	-590	-782	-848	-866	-872	-877	-886
Merchandise trade balance	-2,298	-3,223	-1,944	-2,179	-2,714	-3,002	-3,251	-3,454	-3,726	-4,058
Exports	1,373	1,646	1,332	1,631	2,006	2,259	2,566	2,976	3,378	3,799
<i>Of which: wine and alcohol</i>	136	196	159	178	226	251	263	265	285	299
Imports	-3,671	-4,869	-3,276	-3,810	-4,721	-5,261	-5,816	-6,429	-7,104	-7,857
Services balance	-25	-1	-44	-80	-87	-93	-69	-18	48	109
Exports of services	625	837	669	690	828	931	1,048	1,202	1,372	1,557
Imports of services	-650	-839	-713	-770	-916	-1,024	-1,118	-1,220	-1,324	-1,448
Income balance	416	599	303	471	629	728	800	861	961	1,123
Compensation of employees	593	763	497	663	843	961	1,083	1,192	1,329	1,475
Income on direct and portfolio investment	-170	-140	-138	-142	-161	-179	-205	-241	-262	-299
Income on other investment	-6	-24	-56	-50	-52	-54	-79	-90	-106	-53
Current transfer balance	1,180	1,577	1,151	1,198	1,391	1,519	1,654	1,738	1,840	1,940
Remittances	826	1,033	627	619	750	824	902	974	1,066	1,157
Budget transfers	87	136	103	137	141	178	223	219	214	205
Other transfers	267	408	421	441	500	516	530	545	560	577
Capital and financial account balance	996	1,260	72	375	768	837	971	1,104	1,112	1,188
Capital account balance	-8	-15	-18	-28	-20	-22	-24	-26	-28	-31
Financial account balance	1,004	1,274	89	403	787	858	995	1,130	1,140	1,219
Foreign direct investment balance	516	697	121	191	263	313	438	644	737	829
Portfolio investment and derivatives	-5	7	-5	5	3	6	7	7	8	9
Other investment balance	492	570	-26	208	521	539	550	479	395	381
Loans	279	344	-44	73	238	265	281	312	256	212
General government, net	-15	-21	-3	4	48	61	94	126	81	82
Private sector, net	294	365	-41	69	191	204	187	185	175	130
Other capital flows	213	226	18	135	283	274	269	168	139	169
Errors and omissions	117	86	58	71	0	0	0	0	0	0
Overall balance	387	297	-404	-144	-14	-12	105	232	235	303
Financing	-387	-297	404	144	14	12	-105	-232	-235	-296
Gross international reserves (increase: "-")	-529	-452	201	-294	-264	-284	-142	-279	-265	-291
Use of Fund credit, net	11	12	-15	175	151	217	-22	-30	-45	-80
Monetary authorities	11	12	-15	53	127	217	-22	-30	-12	-25
Purchases	33	38	0	61	133	234	0	0	0	0
Repurchases	-22	-25	-15	-8	-6	-16	-22	-30	-12	-25
General government	0	0	0	122	24	0	0	0	-34	-55
Purchases	0	0	0	122	24	0	0	0	0	0
Repurchases	0	0	0	0	0	0	0	0	-34	-55
Exceptional financing	131	143	219	264	127	79	59	76	76	75
Memorandum items:										
					(Percent of GDP, unless otherwise indicated)					
Gross official reserves (millions of U.S. dollars) 1/	1,334	1,672	1,480	1,718	2,033	2,317	2,459	2,738	3,003	3,294
Months of imports of good and services	2.8	5.0	3.9	3.7	3.9	4.0	3.9	3.9	3.9	4.0
Percent of short term debt and CA deficit	53.9	76.4	64.0	61.1	64.8	68.0	64.4	67.6	70.2	73.1
Pct of short-term debt at remaining maturity	92.2	100.9	86.0	86.6	91.2	94.7	87.3	88.5	90.7	92.1
Current account balance	-16.5	-17.3	-9.8	-10.2	-11.2	-11.0	-10.3	-9.5	-8.7	-8.0
Goods and services trade balance	-52.8	-53.3	-36.6	-38.9	-40.0	-40.3	-39.4	-37.7	-36.5	-35.7
Export of goods and services	45.4	41.0	36.8	39.9	40.5	41.5	42.9	45.3	47.2	48.4
Import of goods and services	-98.2	-94.3	-73.4	-78.8	-80.5	-81.8	-82.2	-83.0	-83.7	-84.1
Foreign direct investment balance	11.7	11.5	2.2	3.3	3.8	4.1	5.2	7.0	7.3	7.5
					(Percent change of amounts in U.S.dollars, unless otherwise indicated)					
Exports of goods	29.5	19.9	-19.1	22.5	23.0	12.6	13.6	16.0	13.5	12.5
Exports of services	34.3	33.9	-20.1	3.1	20.1	12.4	12.6	14.6	14.2	13.5
Imports of goods	38.9	32.6	-32.7	16.3	23.9	11.4	10.6	10.5	10.5	10.6
Imports of services	33.3	29.0	-15.0	8.0	18.9	11.8	9.2	9.2	8.6	9.3
Remittances and compensation	26.8	26.5	-37.4	14.1	24.2	12.1	11.2	9.1	10.6	9.9
Remittances	38.6	25.0	-39.3	-1.3	21.2	9.9	9.4	8.0	9.4	8.6
Compensation of employees	13.5	28.7	-34.8	33.5	27.0	14.0	12.8	10.0	11.5	11.0
Debt service (percent of exports of goods and services)	13.6	14.9	19.9	17.5	19.4	17.5	14.2	15.6	16.2	15.8

Sources: National Bank of Moldova; and IMF staff estimates.

1/ Includes revaluation changes, which were not captured by changes of gross official reserves in the BOP.

Table 3. Moldova: General Government Budget, 2008–16

(Millions of Moldovan lei, unless otherwise indicated)

	2008	2009	2010	2011		2012		2013	2014	2015	2016
				Second Review	Rev. Prog.	Second Review	Rev. Prog.				
Revenues and grants	25,517	23,506	27,540	31,016	30,903	34,785	34,998	38,487	42,218	46,280	50,874
Revenues	24,449	22,218	25,540	28,859	28,859	32,401	33,010	36,435	40,045	44,230	48,993
Tax revenues	21,030	19,325	22,261	25,765	25,765	28,858	29,710	32,948	36,377	40,195	44,550
Profit tax	718	443	484	576	576	672	1,657	2,025	2,222	2,438	2,675
Personal income tax	1,480	1,465	1,545	1,812	1,812	2,033	2,149	2,235	2,453	2,692	2,968
VAT	9,097	7,596	9,146	10,668	10,668	11,848	11,448	12,621	13,850	15,197	16,751
Excises	1,574	1,540	2,074	2,472	2,472	2,951	2,951	3,346	3,892	4,506	5,226
Foreign trade taxes	1,150	905	1,080	1,238	1,238	1,368	1,399	1,522	1,655	1,862	2,047
Other taxes	424	414	459	482	482	551	538	593	651	714	788
Social fund contributions	5,430	5,587	5,985	6,833	6,833	7,564	7,688	8,520	9,359	10,269	11,322
Health fund contributions	1,157	1,377	1,487	1,685	1,685	1,871	1,879	2,086	2,294	2,517	2,775
Non-tax revenues	1,575	1,035	1,697	1,490	1,490	1,655	1,666	1,839	2,008	2,213	2,415
Revenues of special funds	1,844	1,858	1,583	1,604	1,604	1,888	1,635	1,648	1,661	1,822	2,027
Grants 1/	1,068	1,288	2,000	2,158	2,045	2,384	1,988	2,052	2,173	2,050	1,881
Budget support grants 2/	716	804	1,416	1,573	1,488	911	937	704	919	915	911
Foreign financed projects grants	352	334	584	571	543	1,472	1,051	1,348	1,254	1,135	970
Expenditure and net lending	26,147	27,343	29,326	32,612	32,499	35,408	35,726	39,214	42,990	47,021	51,600
Current expenditure	21,693	24,367	25,986	28,416	28,416	30,521	30,739	32,968	35,376	38,661	42,394
Wages	5,730	7,000	7,317	7,844	7,844	8,714	8,740	9,640	10,580	11,528	12,672
Goods and services	5,838	6,067	6,735	7,432	7,432	7,970	8,113	8,648	9,225	10,122	11,068
Of which: health fund	2,548	3,071	3,368	3,639	3,639	3,974	3,924	4,199	4,539	4,980	5,491
Interest payments	733	843	558	712	712	852	727	749	686	655	647
Domestic	569	639	374	515	515	660	532	556	508	491	479
Foreign	163	204	184	197	197	191	195	193	179	164	168
Transfers	8,875	10,156	11,082	12,052	12,052	12,653	12,758	13,547	14,464	15,895	17,498
Transfers to economy	1,681	1,197	1,094	1,129	1,129	1,204	1,077	1,074	1,024	1,124	1,213
Transfers to households	7,193	8,959	9,988	10,923	10,923	11,449	11,682	12,473	13,440	14,771	16,285
Of which: social fund	6,015	7,603	8,603	9,327	9,327	10,351	9,989	10,677	11,610	12,739	14,045
Other current expenditure	517	302	295	376	376	333	401	384	421	462	509
Net lending	36	-28	-90	-53	-53	-91	-53	-82	-90	-99	-117
Capital expenditure	4,419	3,004	3,431	4,249	4,135	4,979	5,040	6,329	7,704	8,459	9,323
Overall balance (cash)	-630	-3,837	-1,786	-1,596	-1,596	-623	-729	-727	-772	-741	-727
Primary balance (cash)	103	-2,994	-1,239	-884	-884	229	-1	21	-86	-86	-80
Change in arrears (+, increase)	0	212	-187	-50	-50	-48	-48	0	0	0	0
Overall balance (commitments)	-630	-4,049	-1,599	-1,546	-1,546	-575	-681	-727	-772	-741	-727
Primary balance (commitments)	103	-3,206	-1,052	-834	-834	277	47	21	-86	-86	-80
Financing	630	3,837	1,786	1,596	1,596	623	729	727	772	741	727
Budget financing	283	3,382	1,167	188	264	-1,417	-363	-783	-1,082	-527	-667
Central government	104	2,919	1,011	-157	-81	-1,507	-453	-948	-1,169	-527	-667
Net domestic	-519	1,073	-528	-125	134	-1,470	-452	-733	-767	82	439
Net foreign (excl. project loans) 3/	-313	1,774	1,441	-313	-495	-400	-364	-450	-402	-609	-1,106
Privatization	936	72	98	280	280	363	363	235	0	0	0
Local governments, of which:	343	245	-1	164	164	90	90	165	87	0	0
Privatization	343	170	237	176	176	90	90	165	87	0	0
Social fund	-48	26	213	181	181	0	0	0	0	0	0
Health fund	-117	193	-57	0	0	0	0	0	0	0	0
Project loans	347	456	619	1,408	1,331	2,040	1,091	1,510	1,854	1,268	1,394
Memorandum items:				(Billions of Moldovan lei)							
Public and publicly guaranteed debt	13.6	19.6	21.7	25.1	24.3	29.8	27.5	28.3	29.6	30.2	30.3
General Government debt, of which:	12.1	17.6	19.1	22.9	20.2	24.8	20.8	21.8	23.4	24.2	24.6
Domestic debt	3.5	5.1	5.3	5.6	5.6	5.8	5.4	5.4	5.5	5.2	4.9
Domestic expenditure arrears	0.2	0.5	0.3	0.1	0.2	0.3	0.2	0.0	0.0	0.0	0.0
External debt	8.4	12.0	13.6	17.1	14.4	18.8	15.2	16.3	17.9	19.0	19.7
Other public and publicly guaranteed debt 4/	1.7	2.0	2.6	2.2	4.1	5.0	6.7	6.5	6.1	6.0	5.7

Sources: Moldovan authorities; and IMF staff estimates and projections.

1/ Includes "internal grants" of MDL 149.5 million in 2009, MDL 89.1 million in 2010, and MDL 14 million in 2011.

2/ In 2009, an EU project grant of €15 million was reclassified as budget support given that no actual expenditure took place.

3/ Projections include direct budget support from the IMF of about US\$122 mln. (SDR 80 mln.) in 2010 and US\$23 mln. (SDR 15 mln.) in 2011.

4/ Includes mainly central bank liabilities to the IMF.

Table 3. Moldova: General Government Budget, 2008–16 (Concluded)

(Percent of GDP, unless otherwise indicated)

	2008	2009	2010	2011		2012		2013	2014	2015	2016
				Second Review	Rev. Prog.	Second Review	Rev. Prog.				
Revenues and grants	40.6	38.9	38.3	37.8	37.6	38.1	38.2	38.1	38.1	38.1	37.9
Revenues	38.9	36.8	35.5	35.2	35.2	35.5	36.0	36.1	36.1	36.4	36.5
Tax revenues	33.4	32.0	31.0	31.4	31.4	31.6	32.4	32.6	32.8	33.1	33.2
Profit tax	1.1	0.7	0.7	0.7	0.7	0.7	1.8	2.0	2.0	2.0	2.0
Personal income tax	2.4	2.4	2.1	2.2	2.2	2.2	2.3	2.2	2.2	2.2	2.2
VAT	14.5	12.6	12.7	13.0	13.0	13.0	12.5	12.5	12.5	12.5	12.5
Excises	2.5	2.5	2.9	3.0	3.0	3.2	3.2	3.3	3.5	3.7	3.9
Foreign trade taxes	1.8	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Other taxes	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Social fund contributions	8.6	9.2	8.3	8.3	8.3	8.3	8.4	8.4	8.4	8.4	8.4
Health fund contributions	1.8	2.3	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
Non-tax revenues	2.5	1.7	2.4	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Revenues of special funds	2.9	3.1	2.2	2.0	2.0	2.1	1.8	1.6	1.5	1.5	1.5
Grants 1/	1.7	2.1	2.8	2.6	2.5	2.6	2.2	2.0	2.0	1.7	1.4
Budget support grants 2/	1.1	1.3	2.0	1.9	1.8	1.0	1.0	0.7	0.8	0.8	0.7
Foreign financed projects grants	0.6	0.6	0.8	0.7	0.7	1.6	1.1	1.3	1.1	0.9	0.7
Expenditure and net lending	41.6	45.2	40.8	39.7	39.6	38.8	39.0	38.8	38.8	38.7	38.5
Current expenditure	34.5	40.3	36.2	34.6	34.6	33.5	33.6	32.6	31.9	31.8	31.6
Wages	9.1	11.6	10.2	9.6	9.6	9.6	9.5	9.5	9.5	9.5	9.5
Goods and services	9.3	10.0	9.4	9.1	9.1	8.7	8.9	8.6	8.3	8.3	8.3
Of which: health insurance fund	4.0	5.1	4.7	4.4	4.4	4.4	4.3	4.2	4.1	4.1	4.1
Interest payments	1.2	1.4	0.8	0.9	0.9	0.9	0.8	0.7	0.6	0.5	0.5
Domestic	0.9	1.1	0.5	0.6	0.6	0.7	0.6	0.6	0.5	0.4	0.4
Foreign	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1
Transfers	14.1	16.8	15.4	14.7	14.7	13.9	13.9	13.4	13.1	13.1	13.1
Transfers to economy	2.7	2.0	1.5	1.4	1.4	1.3	1.2	1.1	0.9	0.9	0.9
Transfers to households	11.4	14.8	13.9	13.3	13.3	12.6	12.8	12.3	12.1	12.1	12.1
Of which: social insurance fund	9.6	12.6	12.0	11.4	11.4	11.4	10.9	10.6	10.5	10.5	10.5
Other current expenditure	0.8	0.5	0.4	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4
Net lending	0.1	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Capital expenditure	7.0	5.0	4.8	5.2	5.0	5.5	5.5	6.3	7.0	7.0	7.0
Overall balance (cash)	-1.0	-6.3	-2.5	-1.9	-1.9	-0.7	-0.8	-0.7	-0.7	-0.6	-0.5
Primary balance (cash)	0.2	-5.0	-1.7	-1.1	-1.1	0.3	0.0	0.0	-0.1	-0.1	-0.1
Change in arrears (+, increase)	0.0	0.4	-0.3	-0.1	-0.1	-0.1	-0.1	0.0	0.0	0.0	0.0
Overall balance (commitments)	-1.0	-6.7	-2.2	-1.9	-1.9	-0.6	-0.7	-0.7	-0.7	-0.6	-0.5
Primary balance (commitments)	0.2	-5.3	-1.5	-1.0	-1.0	0.3	0.1	0.0	-0.1	-0.1	-0.1
Financing	1.0	6.3	2.5	1.9	1.9	0.7	0.8	0.7	0.7	0.6	0.5
Budget financing	0.4	5.6	1.6	0.2	0.3	-1.6	-0.4	-0.8	-1.0	-0.4	-0.5
Central government	0.2	4.8	1.4	-0.2	-0.1	-1.7	-0.5	-0.9	-1.1	-0.4	-0.5
Net domestic	-0.8	1.8	-0.7	-0.2	0.2	-1.6	-0.5	-0.7	-0.7	0.1	0.3
Net foreign (excl. project loans) 3/	-0.5	2.9	2.0	-0.4	-0.6	-0.4	-0.4	-0.4	-0.4	-0.5	-0.8
Privatization	1.5	0.1	0.1	0.3	0.3	0.4	0.4	0.2	0.0	0.0	0.0
Local governments, of which:	0.5	0.4	0.0	0.2	0.2	0.1	0.1	0.2	0.1	0.0	0.0
Privatization	0.5	0.4	0.3	0.2	0.2	0.1	0.1	0.2	0.1	0.0	0.0
Social fund	-0.1	0.0	0.3	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Health fund	-0.2	0.3	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Project loans	0.6	0.8	0.9	1.7	1.6	2.2	1.2	1.5	1.7	1.0	1.0
Memorandum items:											
Public and publicly guaranteed debt	22.0	32.4	30.3	30.6	29.6	32.7	30.0	28.0	26.7	24.8	22.6
General Government debt, of which:	19.3	29.1	26.6	27.8	24.6	27.2	22.7	21.6	21.1	19.9	18.3
Domestic debt	5.6	8.4	7.4	6.8	6.8	6.3	5.9	5.4	4.9	4.3	3.6
Domestic expenditure arrears	0.4	0.8	0.4	0.2	0.3	0.3	0.2	0.0	0.0	0.0	0.0
External debt	13.3	19.9	18.9	20.8	17.5	20.7	16.6	16.2	16.2	15.6	14.7
Other public and publicly guaranteed debt 4/	2.7	3.3	3.6	2.7	5.0	5.5	7.3	6.4	5.5	5.0	4.3

Sources: Moldovan authorities; and IMF staff estimates and projections.

1/ Includes "internal grants" equivalent to 0.25 percent of GDP in 2009, 0.12 percent of GDP in 2010, and 0.02 percent of GDP in 2011.

2/ In 2009, an EU project grant of €15 million was reclassified as budget support given that no actual expenditure took place.

3/ Projections include direct budget support from the IMF of about US\$122 mln. (SDR 80 mln.) in 2010 and US\$23 mln. (SDR 15 mln.) in 2011.

4/ Includes mainly central bank liabilities to the IMF.

Table 4. Moldova: Accounts of the National Bank of Moldova and Monetary Survey, 2010–12

(Millions of Moldovan lei, unless otherwise indicated)

	2010	2011				2012			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
		Projection							
National Bank of Moldova									
Net foreign assets	18,372	18,838	18,646	19,387	20,430	20,138	19,721	20,598	21,380
NFA (convertible)	18,386	18,887	18,699	19,436	20,475	20,175	19,763	20,644	21,430
Gross reserves	20,877	21,359	21,625	23,236	24,396	24,983	25,361	26,233	27,927
Reserve liabilities	-2,490	-2,472	-2,926	-3,800	-3,921	-4,808	-5,598	-5,589	-6,496
Net domestic assets	-6,257	-6,184	-5,705	-5,489	-5,653	-5,338	-4,781	-4,935	-4,823
at program exchange rates	-7,496	-7,203	-7,293	-7,096	-6,500	-6,190	-5,754	-5,898	-5,508
Net claims on general government	-1,067	-528	-859	-1,233	-1,393	-1,179	-1,011	-1,228	-1,441
Credit to banks	-4,646	-5,026	-4,805	-4,173	-3,556	-3,445	-3,349	-3,388	-3,019
Other items (net)	-544	-629	-41	-84	-704	-714	-421	-319	-363
Reserve money	12,115	12,654	12,941	13,898	14,777	14,799	14,940	15,663	16,557
Adjusted for change in reserve requirement 1/	12,115	12,196	12,482	13,045	13,871	13,852	13,994	14,658	15,497
Currency in circulation	10,108	9,731	10,210	10,613	11,662	11,059	11,568	11,923	13,189
Banks' reserves	2,007	2,919	2,731	3,284	3,115	3,740	3,373	3,740	3,368
Required reserves 1/	1,295	1,835	1,839	2,317	2,445	2,542	2,539	2,680	2,810
Excess reserves 2/	712	1,084	892	968	670	1,198	834	1,060	558
Monetary survey									
Net foreign assets	18,121	17,481	16,724	16,667	18,009	17,728	16,972	17,528	18,465
NFA (convertible)	18,376	17,821	17,068	17,029	18,395	18,118	17,365	17,939	18,901
Of which: commercial banks	-11	-1,066	-1,631	-2,407	-2,081	-2,057	-2,397	-2,705	-2,529
Foreign assets of commercial banks	4,615	3,558	3,040	2,674	3,079	3,071	3,046	2,838	3,598
Foreign liabilities of commercial banks	-4,626	-4,624	-4,671	-5,081	-5,159	-5,128	-5,444	-5,544	-6,127
NFA (non-convertible)	-254	-340	-344	-363	-385	-389	-393	-411	-436
Net domestic assets	18,930	20,203	21,453	23,569	24,741	25,486	26,654	28,051	29,880
Net claims on general government	-187	299	54	-234	176	289	356	38	-276
Credit to economy	26,915	27,482	28,950	31,404	32,389	32,743	33,779	35,802	37,838
Moldovan lei	15,529	15,452	16,875	18,786	18,952	18,804	19,673	21,244	22,357
Foreign exchange	11,387	12,030	12,075	12,618	13,437	13,938	14,106	14,558	15,482
in U.S. dollars	937	1,007	1,045	1,092	1,120	1,165	1,188	1,224	1,285
Other items (net)	-7,799	-7,578	-7,551	-7,602	-7,824	-7,546	-7,481	-7,789	-7,682
Broad money (M3)	37,051	37,684	38,177	40,235	42,750	43,214	43,626	45,579	48,345
Broad money (M2: excluding FCD)	24,771	25,002	25,508	26,846	28,792	28,873	29,360	30,703	32,876
Currency in circulation	10,108	9,731	10,210	10,613	11,662	11,059	11,568	11,923	13,189
Total deposits	26,944	27,953	27,967	29,622	31,088	32,155	32,058	33,656	35,157
Domestic currency deposits	14,662	15,269	15,298	16,233	17,129	17,814	17,792	18,780	19,688
Foreign currency deposits (FCD)	12,280	12,682	12,669	13,389	13,958	14,341	14,266	14,876	15,469
in U.S. dollars	1,010	1,062	1,097	1,159	1,163	1,198	1,201	1,250	1,284
Memorandum items:									
Reserve money growth (percent change; annual)	15.9	22.6	23.6	26.3	22.0	17.0	15.4	12.7	12.0
Adjusted for change in reserve requirement 1/	15.9	18.2	19.2	18.6	14.5	13.6	12.1	12.4	11.7
Broad money growth (percent change; annual)	13.4	15.4	15.9	15.7	15.4	14.7	14.3	13.3	13.1
Credit to economy, (percent change, annual) 3/	16.2	17.5	18.5	21.5	20.0	19.2	15.5	12.9	16.8
in local currency	17.6	14.9	19.0	24.0	22.0	21.7	16.6	13.1	18.0
in U.S. dollars 3/	14.5	20.7	17.8	18.2	17.3	16.1	14.2	12.6	15.3
Gross international reserves (millions of U.S. dollars)	1,718	1,788	1,872	2,012	2,033	2,087	2,136	2,205	2,317
Percent of domestic-currency broad money	84	85	85	87	85	87	86	85	85
Net international reserves (millions of U.S. dollars)	1,513	1,589	1,619	1,683	1,706	1,686	1,664	1,735	1,778
at program exchange rates	1,594	1,614	1,645	1,707	1,730	1,706	1,682	1,753	1,794
Broad money multiplier	3.1	3.0	2.9	2.9	2.9	2.9	2.9	2.9	2.9
Share of foreign currency deposits in all deposits	45.6	45.4	45.3	45.2	44.9	44.6	44.5	44.2	43.0
Exchange rate (Moldovan lei per U.S. dollar, average)	12.1	11.9	...	...	...	...	...	...	...
Exchange rate (Moldovan lei per U.S. dollar, actual/projected, eop)	12.2	11.9	...	...	...	...	...	...	...
Reserve requirement ratio on deposits (percent) 1/	8	11	11	14	14	14	14	14	14

Sources: National Bank of Moldova; and IMF staff estimates and projections.

1/ The reserve requirement ratio on lei and foreign currency deposits was increased from 8 percent to 11 percent in February 2011, and to 14 percent in July 2011 while liabilities with maturities over two years were exempt of reserve requirements.

2/ Includes cash in vaults of commercial banks and amounts in correspondent accounts

3/ Calculated at constant program exchange rate.

Table 5. Moldova: Financial Sector Indicators, 2007–11
(End-of-period; percent, unless otherwise indicated)

	2007	2008	2009				2010				2011	
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	April
Size												
Number of banks	15	16	16	15	15	15	15	15	15	15	15	15
Total assets of the banking system (billions of Moldovan lei)	32.0	39.1	37.6	36.6	37.8	39.9	39.3	39.7	40.9	42.3	43.5	43.8
Total loans of the banking system (percent of GDP)	38.8	39.4	40.1	37.0	36.5	37.1	30.9	32.6	34.8	35.5	32.3	32.6
Total assets of the banking system (percent of GDP)	59.9	62.2	62.2	60.5	62.5	66.1	54.7	55.2	58.4	58.9	53.0	53.3
Capital adequacy												
Capital adequacy ratio 1/	29.1	32.2	32.8	32.8	31.7	32.3	32.6	31.2	31.2	30.1	29.7	29.4
Liquidity												
Liquid assets (billions of Moldovan lei)	9.3	12.0	11.0	11.5	13.1	15.3	14.3	13.8	13.9	14.4	14.4	14.4
Total deposits (billions of Moldovan lei)	23.1	27.2	25.3	24.2	24.9	24.4	26.3	26.1	27.3	28.7	29.6	29.7
Liquidity ratio 2/	40.3	44.1	43.5	47.6	52.5	62.6	54.5	52.8	50.9	50.3	48.8	48.4
Liquid assets share of total assets	29.1	30.6	29.3	31.5	34.5	38.3	36.5	34.8	34.0	34.2	33.2	32.8
Asset quality												
Gross loans (billions of Moldovan lei)	20.8	24.8	24.2	22.4	22.0	22.4	22.2	23.5	24.4	25.5	26.5	26.8
Provisions to non-performing loans	113.7	94.2	69.9	62.8	53.8	59.2	58.8	59.5	60.1	63.2	71.8	72.1
Nonperforming loans as a share of total loans	3.7	5.2	8.0	10.5	14.6	16.3	17.4	17.5	15.7	13.3	10.7	10.6
Substandard	...	3.6	6.4	8.4	12.2	9.6	10.0	10.0	8.6	8.9	6.3	6.2
Doubtful	...	1.5	1.5	2.0	2.2	6.5	7.4	7.3	5.7	3.9	3.9	3.8
Loss	...	0.1	0.1	0.1	0.2	0.2	0.1	0.1	0.3	0.6	0.5	0.5
Loan-loss provisioning/gross loans	4.2	4.9	5.6	6.6	7.9	9.7	10.2	10.4	9.4	8.4	7.7	7.6
Profitability												
Return on equity	24.2	19.9	7.5	2.6	0.9	-2.1	8.9	9.9	6.9	3.0	10.1	9.9
Return on assets	3.9	3.5	1.4	0.5	0.2	-0.4	1.6	1.8	1.2	0.5	1.7	1.7
Interest rates												
Domestic currency average lending rate	18.9	21.0	23.1	18.9	19.0	18.6	17.3	16.5	15.8	14.8	14.6	15.1
Domestic currency average deposit rate	15.7	18.1	19.4	15.0	10.8	9.8	9.1	6.7	7.4	6.5	7.9	7.2
Interest rate spread, domestic currency	3.2	2.9	3.7	3.9	8.3	8.8	8.1	9.8	8.4	8.2	6.7	11.7
Foreign currency average lending rate	10.8	14.6	13.3	13.1	11.9	10.6	10.2	10.5	9.8	9.4	9.1	8.7
Foreign currency average deposit rate	6.5	9.6	10.2	8.2	4.9	3.8	3.4	3.3	3.5	3.3	3.4	3.6
Interest rate spread, foreign currency	4.3	5.0	3.1	4.9	7.0	6.8	6.8	7.2	6.3	6.1	5.7	5.0
182-day T-bill (nominal yield)	16.4	19.2	16.2	13.6	7.4	6.1	8.5	7.5	7.3	7.4	12.1	12.1
Foreign currency assets and liabilities												
Total liabilities (billions of Moldovan lei)	26.5	32.1	30.5	29.8	31.0	33.0	32.2	32.5	33.5	35.0	36.0	36.3
Foreign currency liabilities (billions of Moldovan lei)	12.7	15.4	16.1	16.4	16.1	17.1	16.3	16.0	16.9	17.7	18.2	18.5
Share of foreign currency denominated liabilities in total	48.2	48.0	52.9	55.2	51.8	51.7	50.4	49.2	50.5	50.7	50.6	50.9
Foreign currency denominated assets	11.5	12.9	13.6	13.8	15.4	16.1	15.0	15.1	17.3	17.2	17.7	18.0
Share of foreign currency denominated assets in total	35.9	33.0	36.2	37.8	40.8	40.2	38.3	38.1	42.3	40.8	40.6	41.0
Share of foreign currency deposits in total deposits	43.3	41.1	48.7	50.2	50.0	49.3	47.5	46.2	45.9	45.6	45.4	45.6
Share of foreign currency denominated loans in total loans	43.6	41.2	41.1	43.0	43.6	44.7	43.4	43.0	41.5	42.3	43.8	43.7

Source: National Bank of Moldova.

1/ Total regulatory capital over total risk-weighted assets.

2/ Liquid assets over total deposits.

Table 6. Moldova: External Financing Requirements and Sources, 2009-12

(Millions of U.S. dollars, unless otherwise indicated)

	2009	2010	2011	2012
1 Total requirements	2,560	2,817	3,499	3,797
Current account deficit (excluding current transfers and compensation of employees)	2,182	2,451	3,015	3,328
<i>Of which:</i> exports of goods	1,332	1,631	2,006	2,259
Imports of goods	-3,276	-3,810	-4,721	-5,261
Debt amortization	377	366	484	470
Public and publicly guaranteed	45	46	66	50
Private	333	320	419	419
2 Identified financing sources	2,359	3,111	3,356	3,638
Capital Account	-18	-28	-20	-22
Foreign direct investment (net)	121	191	263	313
Portfolio investment	-5	5	3	6
New borrowing	333	438	617	630
Public	41	50	8	6
Private	292	388	609	623
Other capital flows	18	135	283	274
Current transfers	1,151	1,198	1,369	1,493
Worker's remittances	627	619	750	824
Official transfers	103	137	119	152
Other transfers	421	441	500	516
Compensation of employees	497	663	843	961
Use of Fund credit	-15	175	-6	-16
Errors and omissions	58	71	0	0
Exceptional financing	219	264	4	0
3 Gross international reserve accumulation (+: increase)	-201	294	264	284
4 Financing gap	...	...	407	443
Millions of SDR	...	...	255	278
Percent of quota	...	...	207	226
5 Prospective financing	...	...	407	443
IMF	...	...	157	234
Millions of SDR	...	...	100	150
Percent of quota	...	...	81	121
Other donors	...	...	250	210
European Commission	...	...	125	95
World Bank	...	...	72	61
EIB/EBRD/CEDB	...	...	52	53

Sources: Moldovan authorities; and IMF staff projections.

Table 7. Moldova: Indicators of Fund Credit, 2008-20 1/

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	Projection												
Fund obligations based on existing credit (millions of SDRs)													
Principal	16.0	9.7	5.5	3.9	10.5	14.2	19.3	29.1	44.8	41.3	35.8	32.3	26.7
Charges and interest	0.9	0.5	0.3	1.0	1.9	1.9	1.8	1.7	1.5	1.3	1.1	0.9	0.7
Fund obligations based on existing and prospective credit													
Principal	16.0	9.7	5.5	3.9	10.5	14.2	19.3	29.1	55.6	70.8	71.2	67.8	62.1
Charges and interest	0.9	0.5	0.3	1.2	3.5	4.0	4.0	3.9	3.6	3.2	2.7	2.1	1.5
Total obligations based on existing and prospective credit													
Millions of SDRs	16.9	10.3	5.8	5.2	14.1	18.1	23.3	33.0	59.2	74.0	73.8	69.8	63.6
Millions of U.S. dollars	26.7	15.8	8.9	8.1	22.0	28.3	36.3	51.3	92.1	115.2	114.9	108.7	99.0
Percent of exports of goods and services	1.1	0.8	0.4	0.3	0.7	0.8	0.9	1.1	1.7	2.0	1.8	1.6	1.3
Percent of debt service 2/	32.7	18.1	12.0	8.8	23.0	26.0	32.8	49.1	50.7	48.8	46.7	40.3	33.0
Percent of GDP	0.4	0.3	0.2	0.1	0.3	0.3	0.4	0.5	0.8	1.0	0.9	0.8	0.6
Percent of gross international reserves	1.6	1.1	0.5	0.4	0.9	1.2	1.3	1.7	2.8	3.2	3.0	2.6	2.2
Percent of quota	13.7	8.3	4.7	4.2	11.4	14.7	18.9	26.8	48.0	60.1	59.9	56.7	51.6
Outstanding Fund credit													
Millions of SDRs	107.9	98.2	212.6	308.7	447.8	433.6	414.3	385.2	329.7	258.9	187.7	119.9	57.8
Millions of U.S. dollars	170.5	151.4	324.5	483.3	699.6	676.4	645.6	599.6	513.1	402.9	292.1	186.7	90.0
Percent of exports of goods and services	6.9	7.6	14.0	17.0	21.9	18.7	15.5	12.6	9.6	6.9	4.6	2.7	1.2
Percent of debt service 2/	208.9	172.8	439.4	527.0	732.9	621.5	583.5	573.6	282.6	170.7	118.8	69.3	30.0
Percent of GDP	2.8	2.8	5.6	6.9	9.1	8.0	7.0	6.0	4.6	3.4	2.2	1.3	0.6
Percent of gross international reserves	10.2	10.2	18.9	23.8	30.2	27.5	23.6	20.0	15.6	11.3	7.5	4.4	2.0
Percent of quota	87.6	79.7	172.6	250.6	363.4	352.0	336.3	312.7	267.6	210.1	152.3	97.3	46.9
Net use of Fund credit (millions of SDRs)													
Disbursements and purchases 3/	22.9	0.0	120.0	100.0	149.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Repayments and repurchases	16.0	9.7	5.5	3.9	10.5	14.2	19.3	29.1	55.6	70.8	71.2	67.8	62.1
Memorandum items:													
Exports of goods and services (millions of U.S. dollars)	2,483.3	2,000.5	2,320.9	2,834.5	3,189.7	3,614.7	4,177.6	4,750.9	5,356.3	5,839.7	6,348.1	6,900.8	7,501.7
Debt service (millions of U.S. dollars) 2/	81.6	87.6	73.8	91.7	95.5	108.8	110.6	104.5	181.6	236.0	246.0	269.5	299.9
Nominal GDP (millions of U.S. dollars) 2/	6,054.8	5,437.7	5,810.4	6,999.4	7,680.4	8,433.0	9,217.0	10,071.6	11,062.6	12,025.7	13,072.7	14,210.9	15,448.2
Gross International Reserves (millions of U.S. dollars)	1,672.4	1,480.3	1,717.7	2,033.3	2,317.1	2,459.1	2,737.1	3,002.1	3,291.8	3,578.4	3,890.0	4,228.7	4,596.8
Average exchange rate: SDR per U.S. dollars	0.6	0.6	0.7	...	...	...	...	...	...	...	...	...	...
Quota (millions of SDRs)	123.2	123.2	123.2	123.2	123.2	123.2	123.2	123.2	123.2	123.2	123.2	123.2	123.2

Sources: IMF staff estimates and projections.

1/ Assumes prospective disbursements of SDR 60.0 million (of which, SDR 15.0 million for budget support) in 2011 and SDR 44.8 million in 2012 under the ECF, and purchases of SDR 40.0 million in 2011 and SDR 104.8 in 2012 under the EFF.

2/ Total debt service includes IMF repurchases and repayments.

3/ In 2009, does not include Moldova use of the SDR allocation of SDR 117.71 million.

Table 8: Moldova: Localized Millennium Development Goals

	2002	2003	2004	2005	2006	2007	2008	2009	Targets	
									2010	2015
<u>Goal: Reduce extreme poverty and hunger</u>										
▪ Population with consumption below \$4.3 (PPP) a day (percent) 1/	...	...	...	...	34.5	29.8	30.4	29.5	29.0	23.0
▪ Proportion of people under the absolute poverty line 1/	40.4	29.0	26.5	29.1	30.2	25.8	26.4	26.3	25.0	20.0
▪ Proportion of people under the extreme poverty line 1/	26.2	15.0	14.7	16.1	4.5	2.8	3.2	2.1	4.0	3.5
<u>Goal: Achieve universal access to general secondary education</u>										
▪ Gross enrollment ratio in general secondary education (percent)	95.1	95.1	94.6	94.4	92.0	91.6	90.9	90.7	95.0	98.0
▪ Literacy rate for the 15-24 year-old population 1/	...	...	...	...	99.6	99.6	99.6	99.6	99.5	99.5
▪ Enrollment rate for pre-school programs for 3-6 year-old children	57.0	61.1	66.1	70.7	70.1	72.6	74.4	75.5	75.0	78.0
▪ Enrollment rate for pre-school programs for 6-7 year-old children	66.5	78.8	69.1	75.6	81.7	...	...	...	95.0	98.0
<u>Goal: Reduce child mortality</u>										
▪ Infant mortality rate (per 1,000 live births) 1/	14.7	14.4	12.2	12.4	11.8	11.3	12.2	12.1	16.3	13.2
▪ Under-five mortality rate (per 1,000) 1/	18.2	17.8	15.3	15.6	14.0	14.0	14.4	14.3	18.6	15.3
▪ Immunization, measles (percent of children under 2 years old)	94.3	95.7	96.3	96.9	96.9	94.7	94.4	...	96.0	96.0
<u>Goal: Improve maternal health protection</u>										
▪ Maternal mortality ratio (per 100,000 births)	28.0	21.9	23.5	18.6	16.0	15.8	...	17.2	15.5	13.3
▪ Births attended by skilled health personnel (percent)	99.1	99.4	99.4	99.5	99.6	99.5	99.5	99.8	99.0	99.0
<u>Goal: Combat HIV/AIDS, tuberculosis and other diseases</u>										
▪ HIV/AIDS incidence (per 100,000 people) 2/	4.7	6.2	8.4	12.5	14.7	17.4	19.4	17.1	9.6	8.0
▪ HIV incidence among 15-24 year-olds 2/	9.0	9.8	13.4	20.1	18.8	21.2	16.1	19.6	11.2	11.0
▪ Mortality rate associated with tuberculosis (deaths per 100,000 people) 2/	17.3	16.9	17.1	19.1	19.3	20.2	17.1	18.0	15.0	10.0
<u>Goal: Ensure environmental sustainability</u>										
▪ Proportion of land areas covered by forest (percent)	10.3	10.5	10.6	10.7	10.7	10.7	10.9	10.9	12.1	13.2
▪ Ratio of area protected to maintain biological diversity (percent)	2.0	2.0	2.0	2.0	4.7	4.7	4.8	4.8	4.7	4.7
▪ Share of population with access to improved water sources (percent)	38.5	39.7	44.5	45.0	46.0	47.0	53.0	55.0	59.0	65.0
▪ The share of population with access to sewage	31.3	31.7	32.8	43.8	43.3	43.9	45.7	47.9	50.3	65.0

Sources: *Economic Growth and Poverty Reduction Strategy Paper (EGPRSP) 2004-06*, EGPRSP Monitoring Unit.

1/ The methodology was changed from 2006.

2/ Including data from Transnistria.