



The evolution of monetary indicators in January 2013

In January 2013, the **monetary base**¹ decreased by MDL 775.4 million (3.8 percent) compared to December 2012 and constituted MDL 19755.7 million. The decrease of the monetary base was determined by the negative development in the net domestic assets of the National Bank of Moldova, which decreased by MDL 900.7 million (21.7 percent) while the net foreign assets increased by MDL 125.2 million (0.5 percent).

Money in circulation (M0)² decreased from MDL 13240.8 million in December 2012 to MDL 12772.2 million in January 2013.

Money supply M2³ increased during the reporting period by MDL 206.3 million or by 0.6 percent, up to MDL 35120.9 million. At the same time, **money supply M3**⁴ increased by MDL 587.6 million or by 1.2 percent in January 2013.

The analysis of the passive components of money supply (**M3**) denotes the fact that this increase was due to the increase of the total balance of deposits by MDL 1056.2 million as compared to the previous month. At the same time, the monetary aggregate (**M0**) – money in circulation – decreased by MDL 468.6 million (Table no.1).

Table no.1. Passive components of money supply

INDICATORS	Dec.2012	Jan.2013	Jan.2013/ Dec.2012	Jan.2013/ Jan. 2012
	million, MDL	million, MDL	%	%
Money in circulation (M0)	13240.80	12772.21	-3.5	24.2
Sight deposits in MDL	7366.47	7407.95	0.6	25.8
MONEY SUPPLY (M1)	20607.27	20180.16	-2.1	24.8
Term deposits in MDL	14307.22	14940.65	4.4	30.5
Money market instruments	0.12	0.12	0.0	0.0
MONEY SUPPLY (M2)	34914.60	35120.93	0.6	27.2
Deposits in foreign currency	14598.62	14979.87	2.6	16.0
MONEY SUPPLY (M3)	49513.22	50100.80	1.2	23.6

¹ The monetary base includes cash in circulation (outside banking system), banking reserves (banks' reserves in MDL on correspondent accounts maintained at the National Bank of Moldova and cash in banks), deposits at sight of other organizations with the National Bank of Moldova, "overnight" deposits of banks and required reserves in foreign currency.

² Money in circulation M0 represents cash in circulation put by the National Bank of Moldova, except for cash in banks and NBM vault.

³ Money supply M2 includes currency in circulation (M0), deposits in MDL and money market instruments.

⁴ Money supply M3 includes broad money M2 and deposits in foreign currency of residents expressed in MDL.



The balance of deposits in national currency constituted MDL 22348.6 million, which share equaled to 59.9 percent of total balance of deposits and the balance of deposits in foreign currency (recalculated in MDL) constituted MDL 14979.9 million, which share amounted to 40.1 percent (Table no.2).

*Table no.2. Deposits structure*⁵

INDICATORS	Dec.2012	Jan.2013	Jan.2013/ Dec.2012	Jan.2013/ Jan. 2012
	million, MDL	million, MDL	%	%
Deposits balance (total)	36272.31	37328.47	2.9	23.4
Including:				
Deposits balance (in MDL)	21673.68	22348.60	3.1	28.9
The share in Deposits balance (total), %	59.75	59.87		
Non-banking financial sector	730.35	725.82	-0.6	16.5
Non-financial companies sector	5955.40	6162.38	3.5	15.9
Other resident sectors (individuals, etc.)	14987.93	15460.41	3.2	35.7
Deposits balance in foreign currency (expressed in MDL)	14598.63	14979.87	2.6	16.0
The share in Deposits balance (total), %	40.25	40.13		
Non-banking financial sector	432.08	458.90	6.2	7.0
Non-financial companies sector	2834.24	2926.33	3.3	23.3
Other resident sectors (individuals, etc.)	11332.31	11594.65	2.3	14.7

The increase of money supply M3 in the reporting period was determined by the increase in net foreign assets of the banking system by MDL 955.4 million (4.1 percent) while net domestic assets decreased by MDL 367.8 million (1.4 percent) as compared to the previous month.

Domestic credit of the banking system increased by MDL 185.2 million (0.5 percent), up to the level of MDL 37137.6 million, its increase being determined mainly by the increase of net payments to the Government by MDL 177.8 million.

The balance of credits in economy⁶ increased by 7.4 percent in January 2013, as compared to the previous month, at the expense of the increase of credits granted to the economy in foreign currency (expressed in MDL) by MDL 203.0 million (1.3 percent) while those in MDL decreased by MDL 195.7 million (0.9 percent) (Table no.3).

The reduced dynamic of the balance of credits granted to the economy in MDL was influenced by the decrease of the balance of credits granted to private sector by MDL 164.6 million (1.2 percent) and to other organizations performing certain financial operations by MDL 72.5

⁵ The deposits are grouped by institutional sectors in accordance with Instruction on filling out by the licensed banks of the Report on monetary statistics (Official Monitor of the Republic of Moldova no. 206-215 of December 2, 2011).

⁶ According to the IMF methodology, the interbank credits and the credits granted to the Government are excluded from the total credits in the economy (including the interest calculated for credits and for credits of banks - in liquidation process).



million lei (16.0 percent). At the same time, the balance of credits granted state enterprises increased by MDL 34.6 million (4.7 percent) and to individuals by MDL 6.8 million (0.1 percent).

Table no.3. Structure of credits granted to economy

INDICATORS	Dec.2012	Jan.2013	Jan.2013/ Dec.2012	Jan.2013/ Jan. 2012
	million, MDL	million, MDL	%	%
CREDITS GRANTED TO ECONOMY	35948.27	35955.61	0.0	14.6
Including:				
CREDITS GRANTED TO ECONOMY (in MDL)	20624.16	20428.48	-0.9	17.5
The share of Credits granted to economy, %	57.37	56.82		
State enterprises	731.19	765.82	4.7	60.3
Private sector	14268.01	14103.46	-1.2	16.4
Other organizations performing certain financial operations	453.14	380.60	-16.0	17.9
Other resident sectors (individuals, etc.)	5171.82	5178.60	0.1	16.0
including : Consumer loans	2270.36	2272.49	0.1	28.2
Real estate loans	1384.13	1395.03	0.8	27.6
CREDITS GRANTED TO ECONOMY IN FOREIGN CURRENCY (equivalent in MDL):	15324.11	15527.13	1.3	10.9
The share of Credits granted to economy, %	42.63	43.18		
State enterprises	783.72	807.54	3.0	22.0
Private sector	13724.87	13881.20	1.1	9.2
Other organizations performing certain financial operations	544.67	560.41	2.9	29.0
Other resident sectors (individuals, etc.)	270.84	277.98	2.6	47.8
including : Consumer loans	2.58	2.71	4.9	0.0
Real estate loans	87.62	89.39	2.0	0.0

The development in the balance of credits granted to economy in foreign currency (expressed in MDL) were determined by the increase of the balance of credits granted to private sector – by MDL 156.3 million (1.1 percent), to state enterprises increased by MDL 23.8 million (3.0 percent), to other organizations performing certain financial operations by MDL 15.7 million (2.9 percent) and the balance of credits granted to individuals by MDL 7.1 million (2.6 percent).