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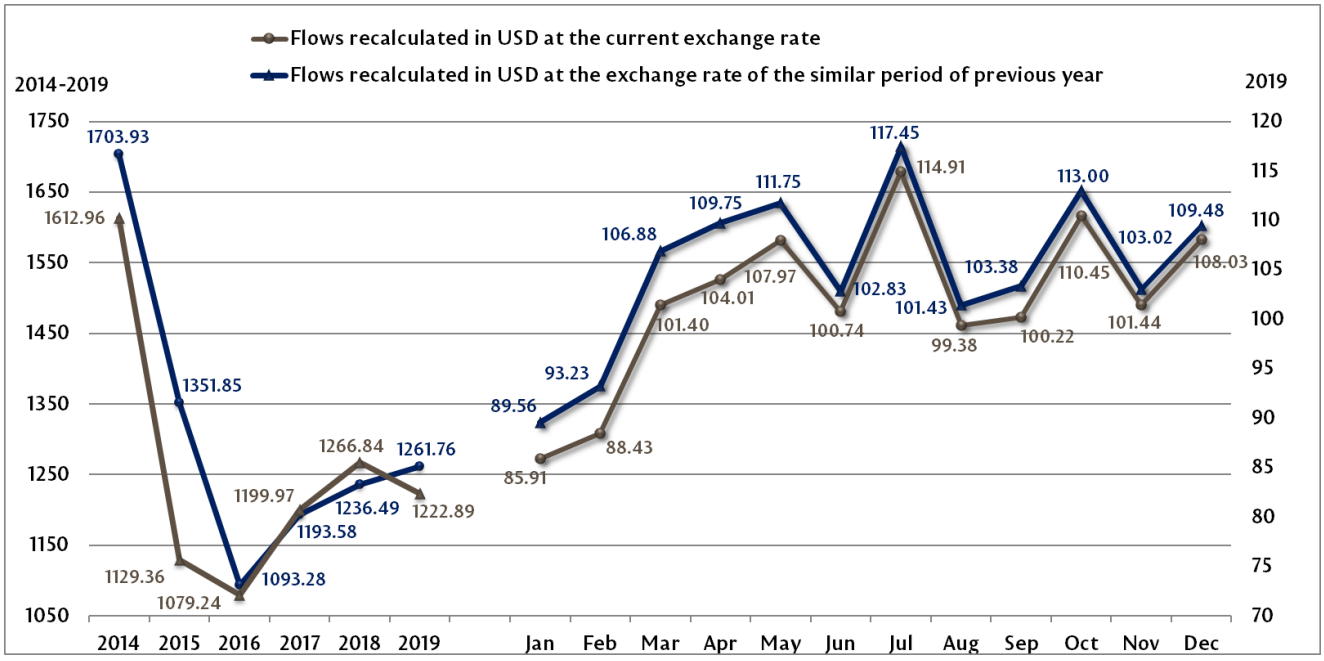
Money transfers from abroad to individuals via banks of the Republic of Moldova in 2019 (net settlements)

In 2019, the total volume of money transferred to individuals, residents of the Republic of Moldova, amounted to USD 1,222.89 million. It should be mentioned that a share of 82.9 percent of money was transferred via money remittance systems, net settlements (in USD, EUR and RUB), mainly without opening bank accounts, whereas 17.1 percent represented bank transfers (in different currencies) carried out via the SWIFT system, presented in gross settlements.

The total amount of money transfers made in USD decreased in 2019 by 3.5 percent compared to 2018 (USD 1,266.84 million), including by 3.1 percentage points, mainly as a result of the depreciation of EUR and RUB against USD (according to the NBM daily official exchange rates). The real decrease of total transfers represented 0.4 percent. This was due to the impact of the increase in EUR transfers by 10.5 percent and the decline in RUB transfers by 45.6 percent. Thus, in 2019, the currency structure of money transfers (recalculated in USD) was as follows: USD - 474.42 million, EUR - 692.59 million, RUB - 42.58 million and other currencies - 13.30 million. Chart no. 1 presents the impact of the developments of USD/EUR and USD/RUB exchange rates on monthly money transfers to individuals in 2019.

Chart no. 1.

The evolution of USD/EUR and USD/RUB exchange rate impact on total transfers made in 2019, USD million



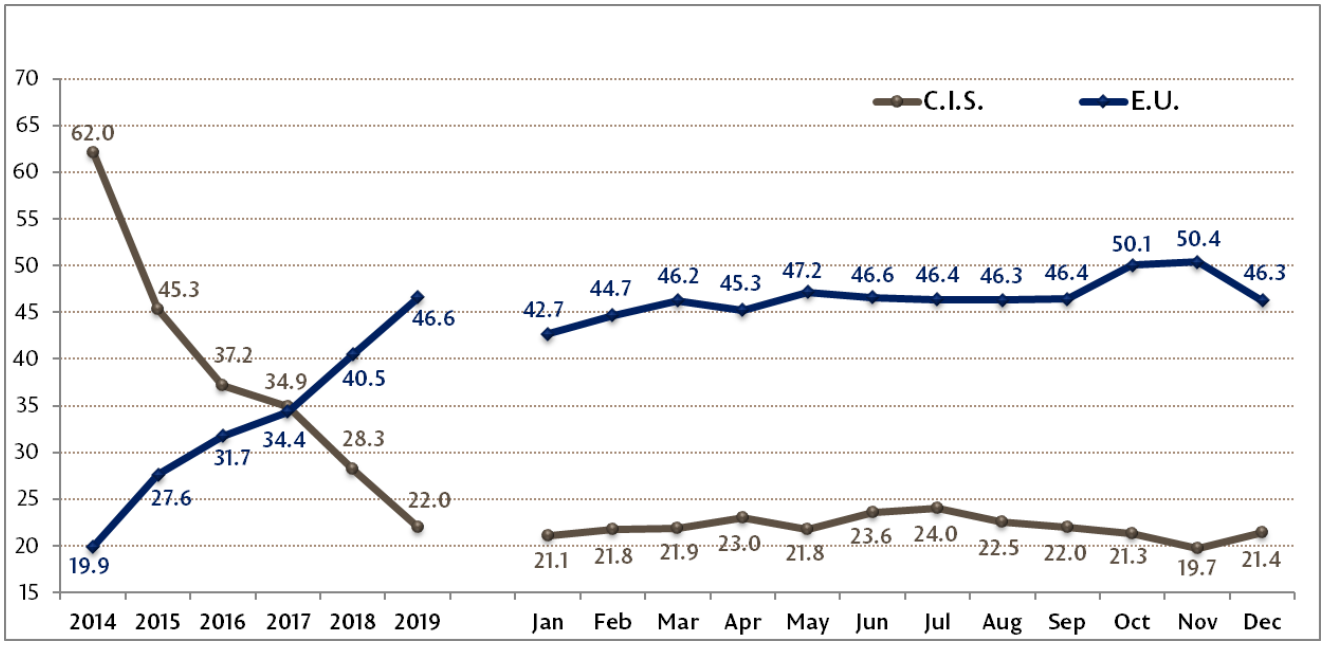
SOURCE: NBM, The International banking operations statistics.

During 2014-2019, the money transfers to individuals from the CIS countries recorded a downward trend,

while those from the EU, on the contrary, recorded an upward trend (Chart no. 2). The CIS money transfers decreased by 24.7 percent as compared to 2018, recording a share of 22.0 percent. The EU money transfers increased by 11.2 percent as compared to 2018, recording a share of 46.6 percent. It should be noted that during 2014 - 2019, as in monthly dynamics during 2019, the shares of money transfers from the CIS and the EU recorded an obvious negative correlation (Chart no. 2). Money transfers from other states, except for the CIS and the EU, totaled 31.4 percent in 2019 and 31.2 percent in 2018. In 2019 and 2018, money transfers from Israel and USA accounted for 84.4 percent and 83.1 percent, respectively, of the total money transfers from other states.

Chart no. 2.

Dynamics of transfers from CIS and EU in to of individuals (2014 - 2019 annual dynamics; 2019 monthly dynamics), %



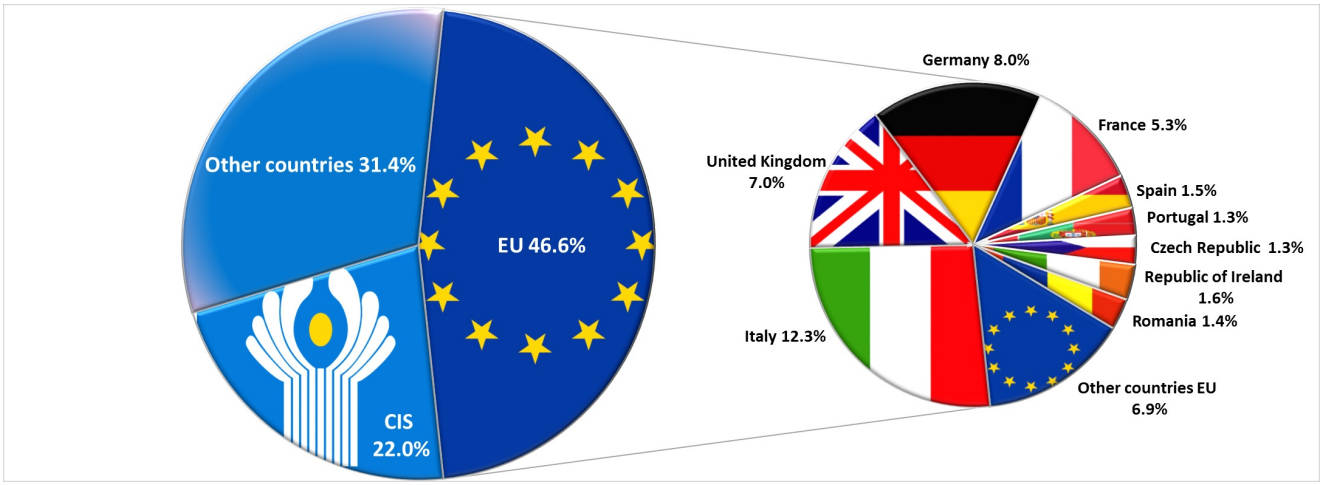
SOURCE: NBM, The International banking operations statistics.

Within the money transfers from the EU countries, Italy accounts for the largest share of 26.4 percent, being followed by the Germany (17.1 percent), United Kingdom (15.0 percent), France (11.3 percent), Ireland (3.5 percent), Spain (3.3 percent), Romania (3.1 percent), Czech Republic (2.9 percent), Portugal (2.7 percent), Poland (2.4 percent), Belgium (2.3 percent), Cyprus (1.2 percent) and Greece (1.1 percent).

The money transfers from CIS mainly come from Russia, accounting for a share of 95.0 percent. Money transfers from other CIS countries have recorded the following shares: Ukraine - 2.2 percent, Kazakhstan - 0.8 percent, Uzbekistan - 0.7 percent, Belarus - 0.5 percent, Azerbaijan - 0.4 percent and the rest of CIS states - 0.4 percent.

Chart no. 3.

Structure of net transfers of funds from abroad to individuals by geographic areas, 2019 %

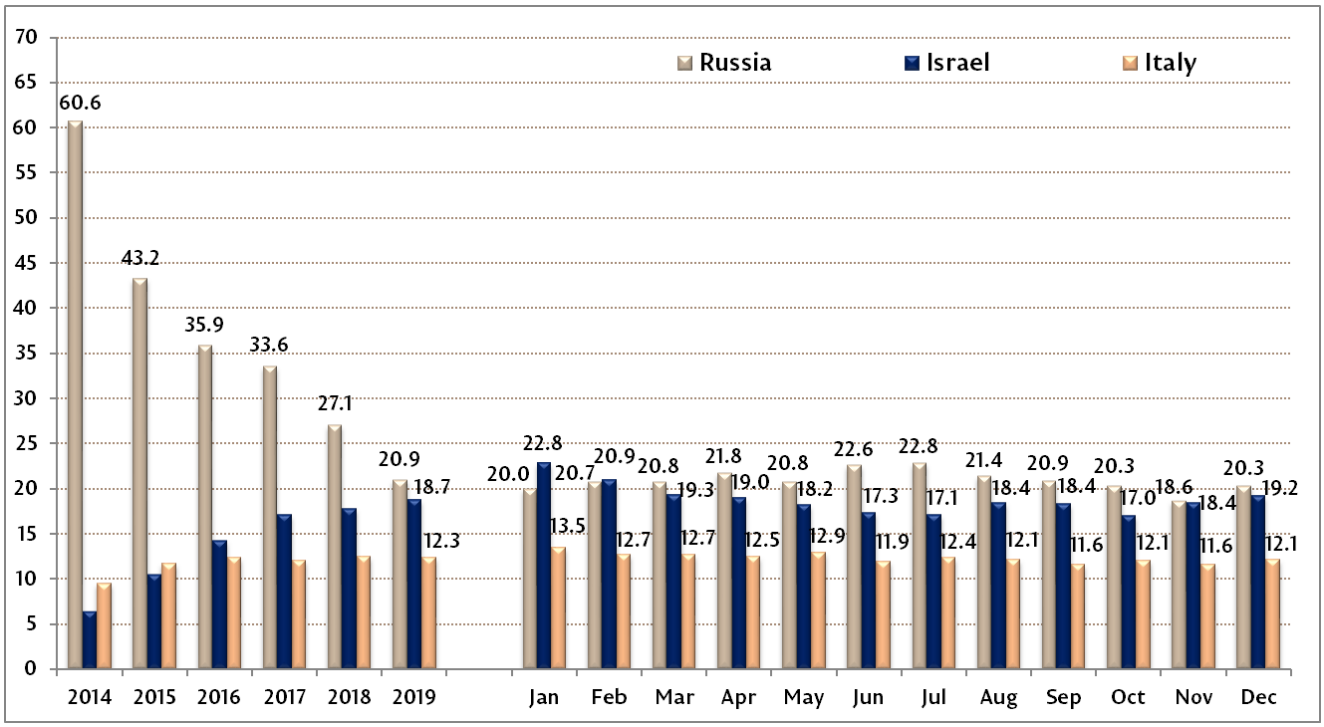


SOURCE: NBM, The International banking operations statistics.

Analyzing the money transfers by country of origin, the transfers from Russia accounted for a share of 20.9 percent (255.91 million USD) of total money transfers to individuals (decreasing by 6.2 percentage points compared to 2018). It should be noted that 98.1 percent of total money transfers from Russia were made via money remittance systems. The share of money transfers from Russia (Chart no. 4) increased in January - July 2019 from 20.0 percent (USD 17.19 million) to 22.8 percent (USD 26.23 million), while in August - November the share dropped from 21.4 percent (USD 21.26 million) to 18.6 percent (USD 18.88 million).

At the same time, it should be mentioned that the money transfers from Israel - 18.7 percent (USD 229.07 million), Italy - 12.3 percent (USD 150.61 million), Germany - 8.0 percent (USD 97.28 million), the US - 7.7 percent (USD 94.39 million), United Kingdom - 7.0 percent (USD 85.59 million), France - 5.3 percent (USD 64.27 million), Ireland - 1.6 percent (USD 19.96 million), Spain - 1.5 percent (USD 18.94 million), Romania – 1.4 percent (USD 17.68 million), Czech Republic - 1.3 percent (USD 16.41 million), Portugal - 1.3 percent (USD 15.64 million), Poland - 1.1 percent (USD 13.47 million), Belgium - 1.1 percent (USD 13.25 million), Turkey - 0.9 percent (USD 10.90 million), Cyprus - 0.5 percent (USD 6.63 million), Canada - 0.5 percent (USD 6.42 million), Greece - 0.5 percent (USD 6.24 million), United Arab Emirates - 0.5 percent (USD 6.20 million), Ukraine - 0.5 percent (USD 5.82 million) and Kazakhstan - 0.2 percent (USD 2.22 million). Money transfers from the above twenty-one countries (including Russia) account for 93.0 percent (USD 1,136.90 million) of total money transfers of the Republic of Moldova.

Chart no. 4.
Dynamics of money transfers (top three states) to individuals (2014 – 2019 annual; 2019 monthly), %

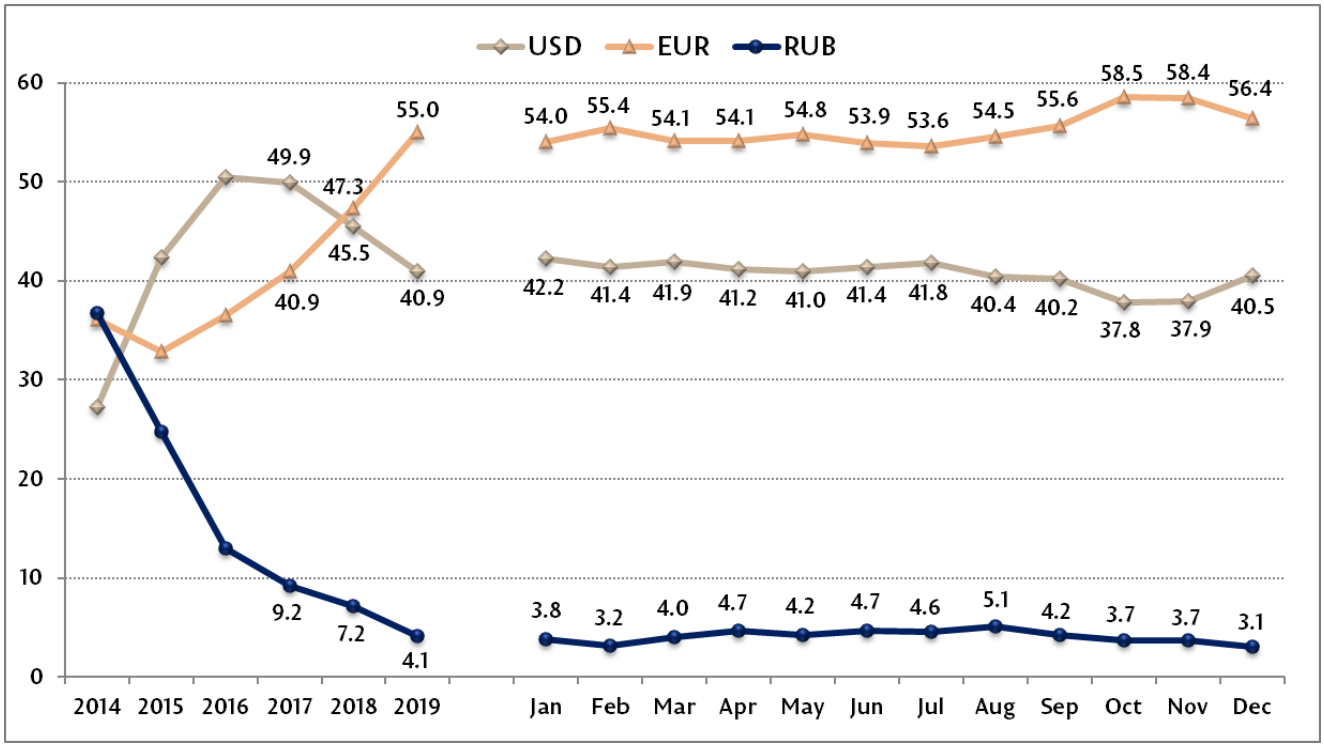


SOURCE: NBM, The International banking operations statistics.

It is noteworthy that a positive correlation between the share of money transfers in USD and RUB was recorded during 2016 - 2019 in the money transfers via money remittance systems. At the same time, there is a remarkable downward trend in USD money transfers from 49.9 percent in 2017 to 40.9 percent in 2019. During 2019, as shown in monthly dynamics, a negative correlation was recorded between the shares of USD and EUR transfers, except for April (Chart no. 5).

Chart no. 5.

Dynamics of foreign currency structure of clearing settlements related to money transfers from abroad to individuals via money transfer systems (2014 - 2019 - annual dynamics; 2019 – monthly dynamics), %

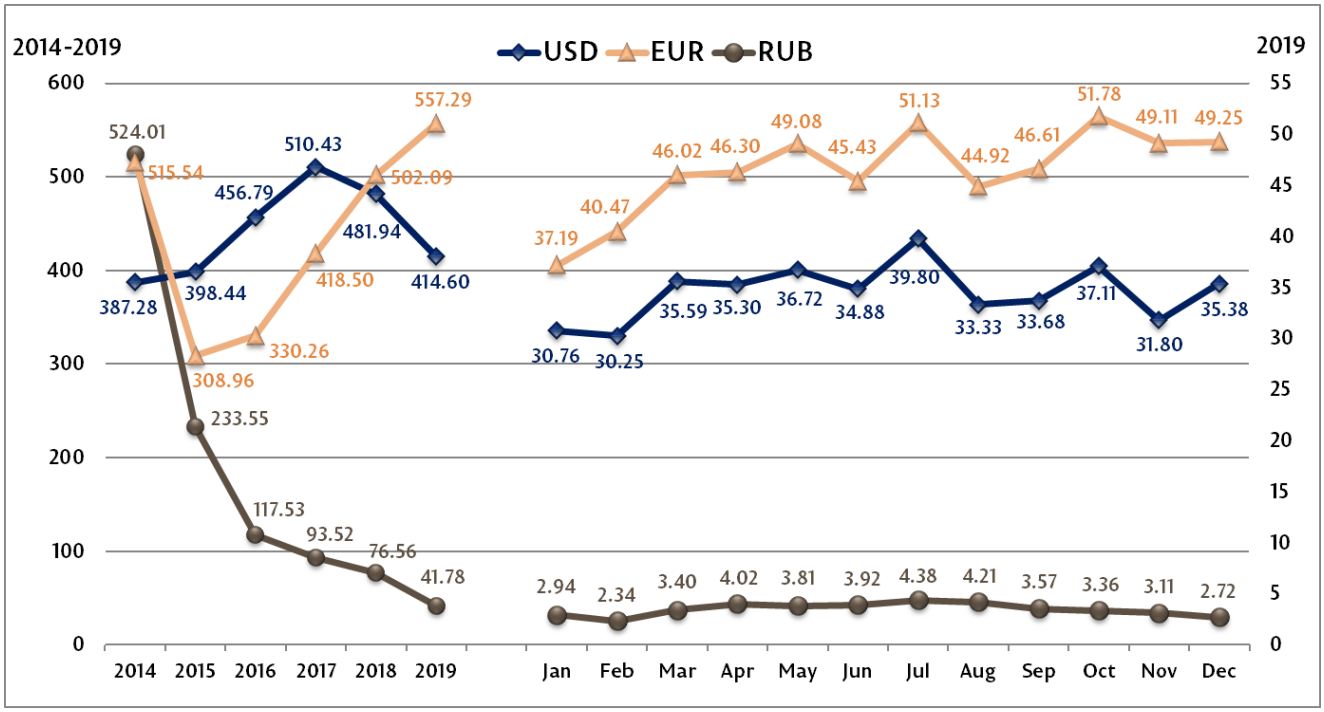


SOURCE: NBM, The International banking operations statistics.

In 2019, compared to 2018, the annual currency structure of transfers via money remittance systems was characterized by a decrease of 3.1 percentage points in the share of RUB transfers, down to 4.1 percent, and an increase in the share of EUR transfers by 7.7 percentage points, up to 55.0 percent. The share of transfers in USD recorded a significant decrease of 4.6 percentage points, up to 40.9%.

Chart no. 6.

Evolution of money transfers from abroad in USD, EUR and RUB (recalculated in USD) via money remittance systems, USD million

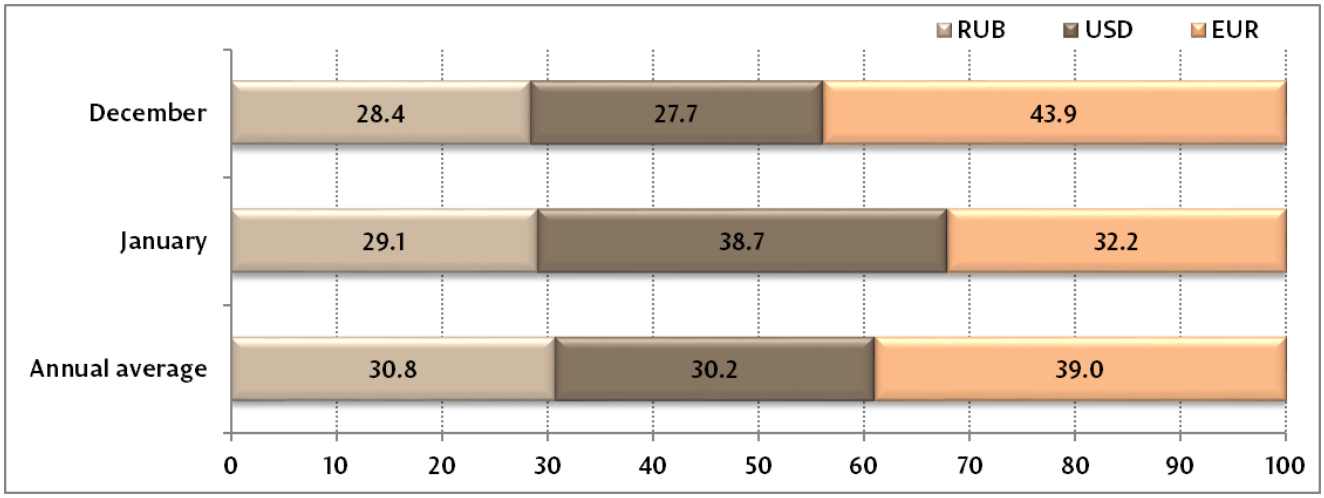


SOURCE: NBM, The International banking operations statistics.

During 2019, the volume of money transfers in USD and EUR via money remittance systems registered a positive correlation, with some deviations in February, April and December (Chart no. 6).

Chart no. 7.

Dynamics of foreign currency structure of money transfers from the Russian Federation via money transfer systems, recalculated in USD, in 2019, %

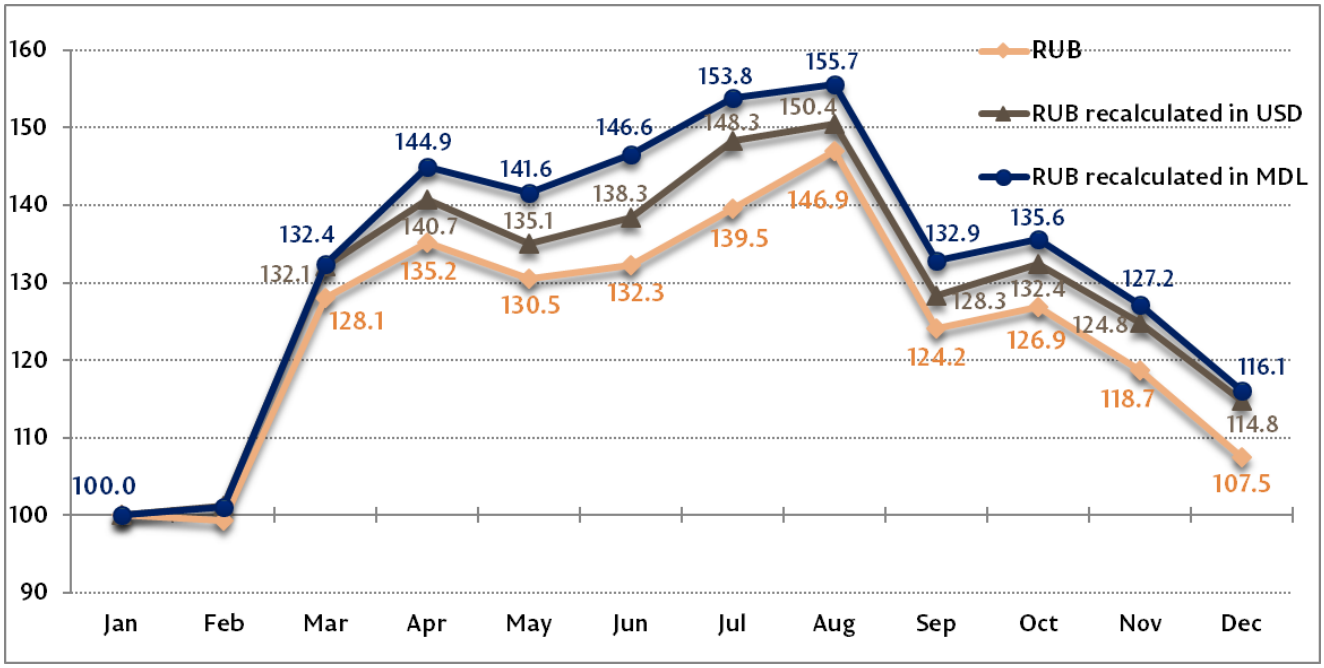


SOURCE: NBM, The International banking operations statistics.

In 2019, the currency structure of transfers from Russia (Chart no. 7) via money remittance systems, on annual average (recalculated in USD) was as follows: money transfers in USD - 30.2 percent, in RUB - 30.8 percent and in EUR - 39.0%.

The changes in the currency structure of transfers via money remittance systems in 2019 reflect both the quantitative decreases of transfers in RUB (e.g. in May, September, November - December) and the fluctuations in the exchange rate of the RUB against the USD (Chart no. 8).

Chart 8.
Evolution of money transfers in RUB via money transfers systems from the Russian Federation, recalculated in USD and in MDL, in 2019, % (January=100%)



SOURCE: NBM, The International banking operations statistics.

During 2019, the Russian ruble appreciated by 12.6 percent against the Moldovan MDL, thus generating an increase in the value of money transfers recalculated in MDL.

NOTE:
Net settlements represent data on transfers via money remittance systems, based on clearing between the system and the licensed bank (balance inflows and outflows), and account for 82.9 percent of total transfers.

The National Bank of Moldova draws attention to the fact that the money transfers from abroad to individuals via banks do not consist only of remittances sent by Moldovan labor migrants, but also include unilateral money transfers such as:

1. local transfers, including salary transfers to resident individuals from non-resident representatives (representative offices of international financial institutions, international organizations and representations of foreign economic agents) located in the Republic of Moldova (1.1 percent of total

transfers);
2. transfers to non-residents staying temporarily in the Republic of Moldova (0.4 percent of total transfers via money remittance systems);
3. pensions (social and maintenance) and benefits (0.4 percent of total transfers).

The money transferred from abroad to individuals via Moldovan banks include also money transfers received, both via money remittance systems and postal orders, at post offices of the State Enterprise "Poșta Moldovei" (settled via banks).

It should be noted that this indicator does not include:
a) international transfers performed via SWIFT payment system (with significant values) to individuals for investment purposes, which amounted to USD 21.02 million in 2019;
b) international transfers via SWIFT payment system to non-resident individuals, who are clients of Moldovan licensed banks;
c) transfers made via banks located in the Transnistrian region of the Republic of Moldova.

The dynamic series on the evolution of money transfers from abroad to individuals via Moldovan banks during 1999-2019 can be found on the NBM official website:

Time series [1]

Publication of data is only allowed if a reference to this page is provided.

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