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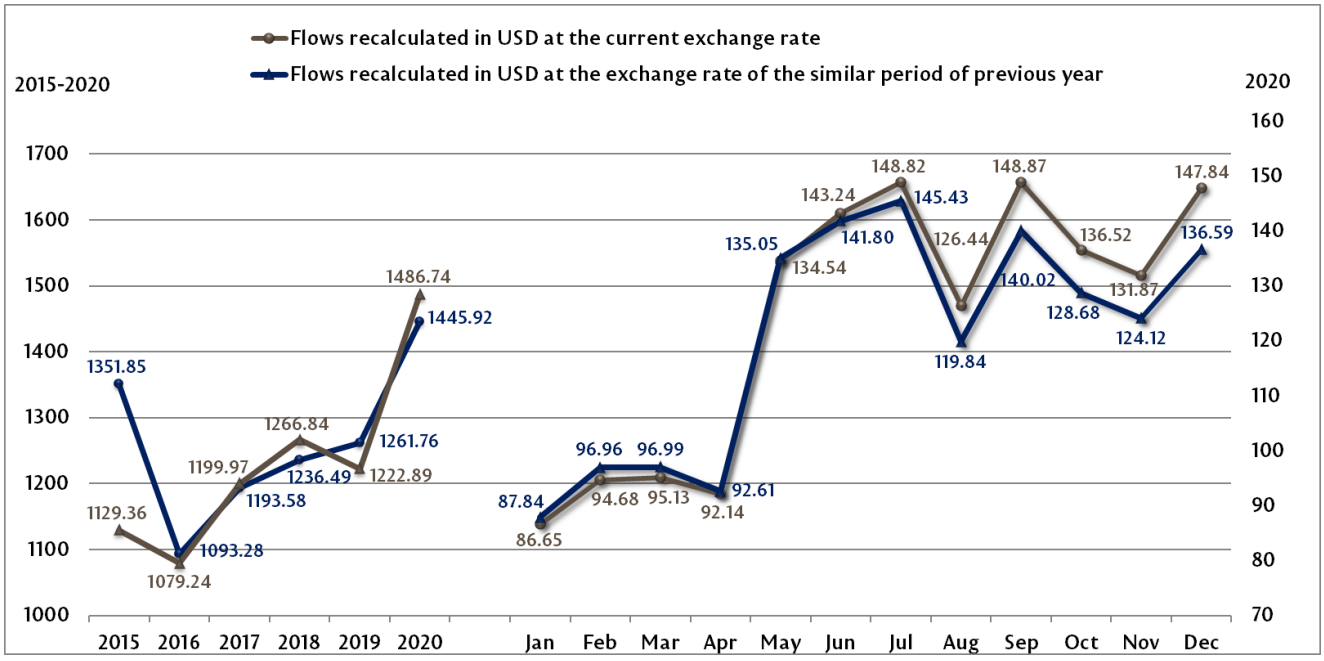
Money transfers from abroad to individuals via banks of the Republic of Moldova in 2020 (net settlements)

In 2020, the total volume of money transferred to individuals, residents of the Republic of Moldova, amounted to USD 1,486.74 million. It should be mentioned that a share of 83.2 percent of money was transferred via money remittance systems, net settlements (in USD, EUR and RUB), mainly without opening bank accounts, whereas 16.8 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 increased in 2020 by 21.6 percent compared to 2019 (USD 1,222.89 million), including by 3.3 percentage points, mainly as a result of the appreciation of EUR against USD (according to the NBM daily official exchange rates). The real increase of total transfers represented 18.3 percent. This was due to the impact of the increase in EUR transfers by 36.6 percent and the decline in RUB transfers by 36.2 percent. Thus, in 2020, the currency structure of money transfers (recalculated in USD) was as follows: EUR - 946.57 million, USD - 496.43 million, RUB - 27.17 million and other currencies - 16.57 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 2020.

Chart no. 1.

The evolution of USD/EUR and USD/RUB exchange rate impact on total transfers made in 2020, USD million



SOURCE: NBM, The International banking operations statistics.

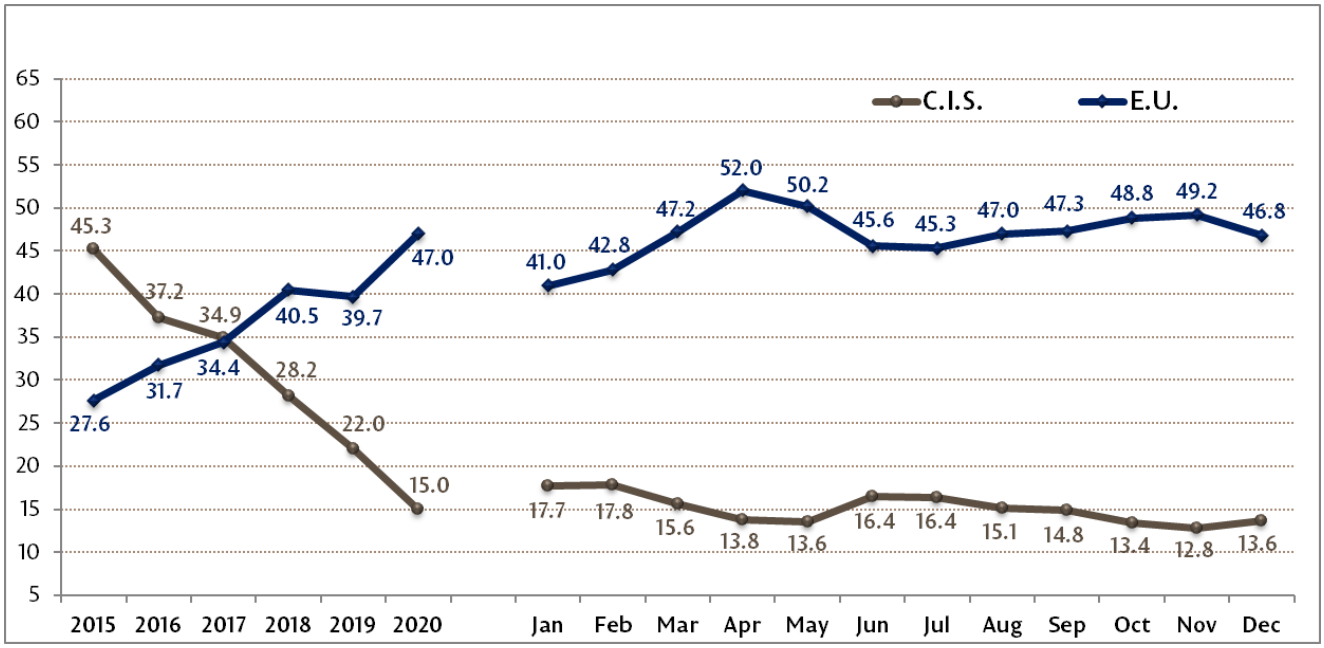
During 2015-2020, the money transfers to individuals from the CIS countries recorded a downward trend, while those from the EU, on the contrary, recorded an upward trend (Chart no. 2). The CIS money transfers

decreased by 17.4 percent as compared to 2019, recording a share of 15.0 percent. The EU-27 money transfers increased by 44.3 percent as compared to the EU-27, 2019 recording a share of 47.0 percent. Due to Brexit, the volume of transfers from the EU-27 in 2020 was lower by USD 116.75 million, while that of transfers from the rest of the world increased with the same amount. It should be noted that during 2015 - 2020, as in monthly dynamics during 2020, 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 38.0 percent in 2020 and 38.3 percent in 2019. In 2020, money transfers from Israel, the United Kingdom and Nord Ireland and the USA accounted for 88.2 percent of the total money transfers from other states.

Chart no. 2.

Dynamics of transfers from CIS and EU in to of individuals (2015 - 2020 annual dynamics; 2020 monthly dynamics), %

(EU-28 during 2015 – 2018; EU-27 during 2019 – 2020)



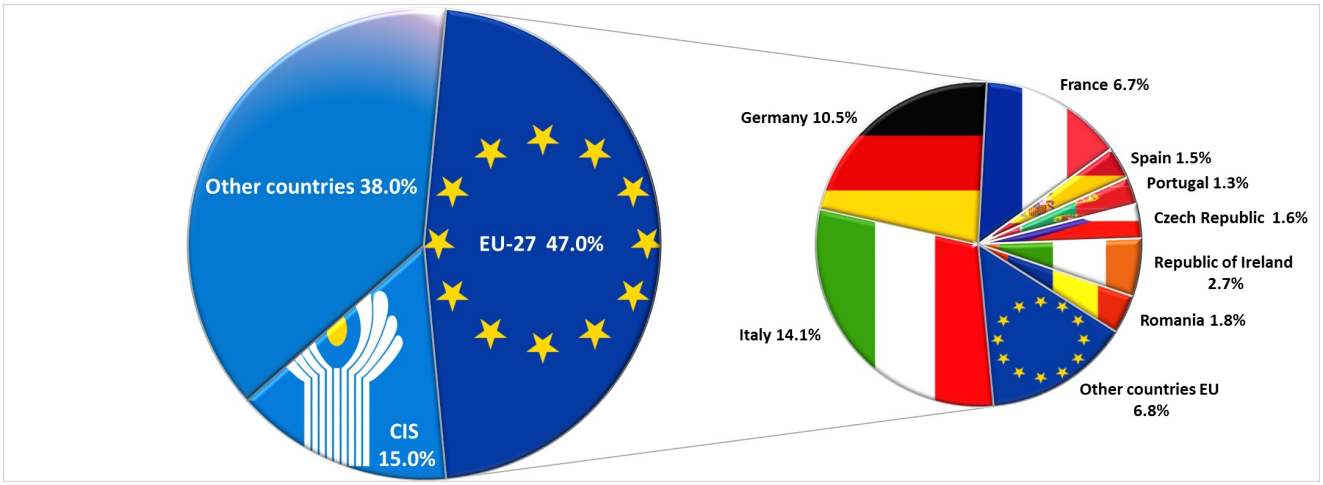
SOURCE: NBM, The International banking operations statistics.

Within the money transfers from the EU-27 countries, Italy accounts for the largest share of 29.9 percent, being followed by the Germany (22.3 percent), France (14.3 percent), Ireland (5.7 percent), Romania (3.9 percent), Czech Republic (3.4 percent), Spain (3.2 percent), Belgium (2.9 percent), Portugal (2.7 percent), Poland (2.3 percent), Cyprus (1.0 percent) and Greece (1.0 percent).

The money transfers from CIS mainly come from Russia, accounting for a share of 92.4 percent. Money transfers from other CIS countries have recorded the following shares: Ukraine - 4.5 percent, Kazakhstan - 1.0 percent, Belarus - 0.6 percent, Uzbekistan - 0.5 percent, Azerbaijan - 0.4 percent and the rest of CIS states - 0.6 percent.

Chart no. 3.

Structure of net transfers of funds from abroad to individuals by geographic areas, 2020 %

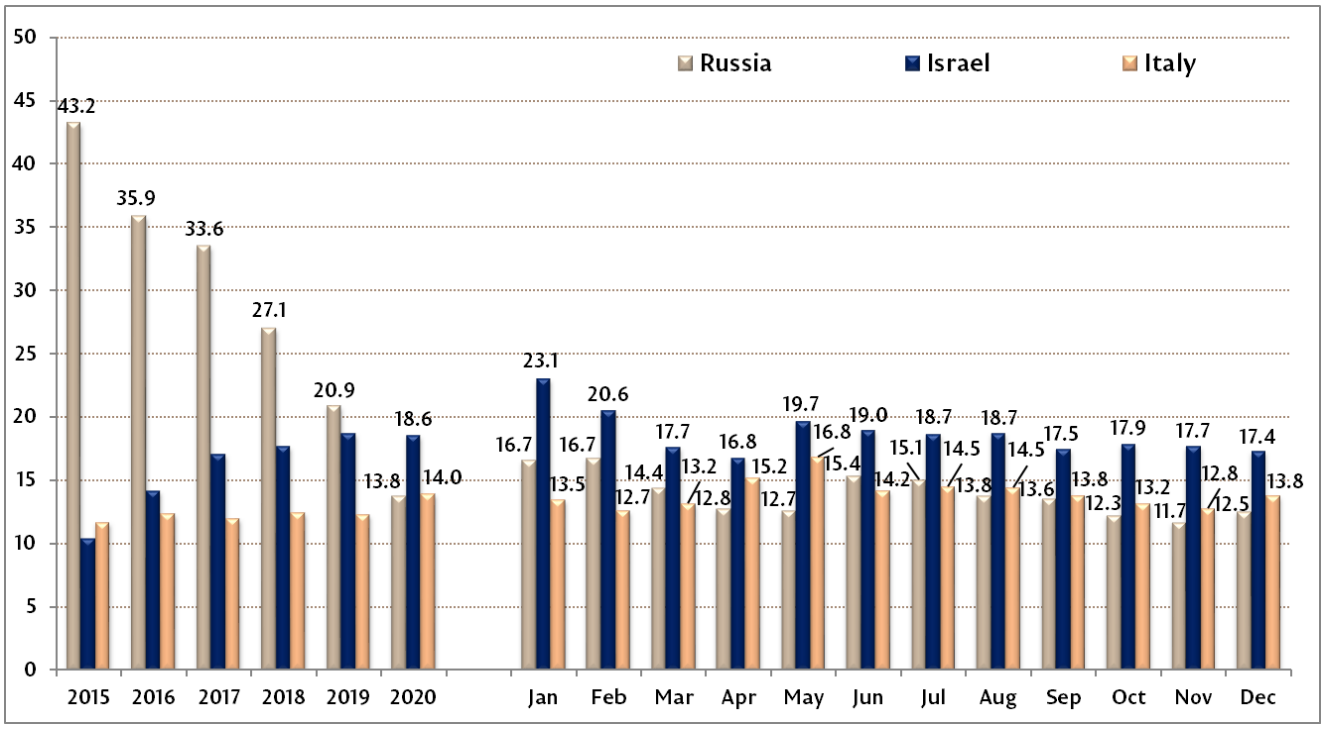


SOURCE: NBM, The International banking operations statistics.

Analyzing the money transfers by country of origin, the transfers from Israel accounted for a share of 18.6 percent (276.45 million USD) of total money transfers to individuals (decreasing by 0.1 percentage points compared to 2019), being followed by transfers from Italy - 14.1 percent (USD 208.92 million). Transfers from the Russian Federation accounted for 13.8 percent (USD 205.50 million) of total transfers (decreasing by 19.7 percent, as well as by 7.1 percentage points as compared to 2019). It should be noted that 96.9 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 May - June 2020 from 12.7 percent (USD 17.04 million) to 15.4 percent (USD 22.00 million), while in July - November the share dropped from 15.1 percent (USD 22.41 million) to 11.7 percent (USD 15.37 million).

At the same time, it should be mentioned that the money transfers from Germany - 10.5 percent (USD 155.90 million), the United Kingdom and Nord Ireland - 7.9 percent (USD 116.75 million), the USA - 7.1 percent (USD 105.02 million), France - 6.7 percent (USD 100.03 million), Ireland - 2.7 percent (USD 39.69 million), Romania – 1.8 percent (USD 27.43 million), Czech Republic - 1.6 percent (USD 23.66 million), Spain - 1.5 percent (USD 22.31 million), Belgium - 1.4 percent (USD 20.19 million), Portugal - 1.3 percent (USD 19.21 million), Poland - 1.1 percent (USD 16.12 million), Turkey - 1.0 percent (USD 14.25 million), Ukraine - 0.7 percent (USD 10.03 million), Canada - 0.6 percent (USD 8.27 million), Cyprus - 0.5 percent (USD 7.13 million), Greece - 0.5 percent (USD 6.80 million), United Arab Emirates - 0.3 percent (USD 4.73 million) and Kazakhstan - 0.2 percent (USD 2.27 million). Money transfers from the above twenty-one countries (including Russia) account for 93.5 percent (USD 1,390.66 million) of total money transfers of the Republic of Moldova.

Chart no. 4.
Dynamics of money transfers (top three states) to individuals (2015 – 2020 annual; 2020 monthly), %

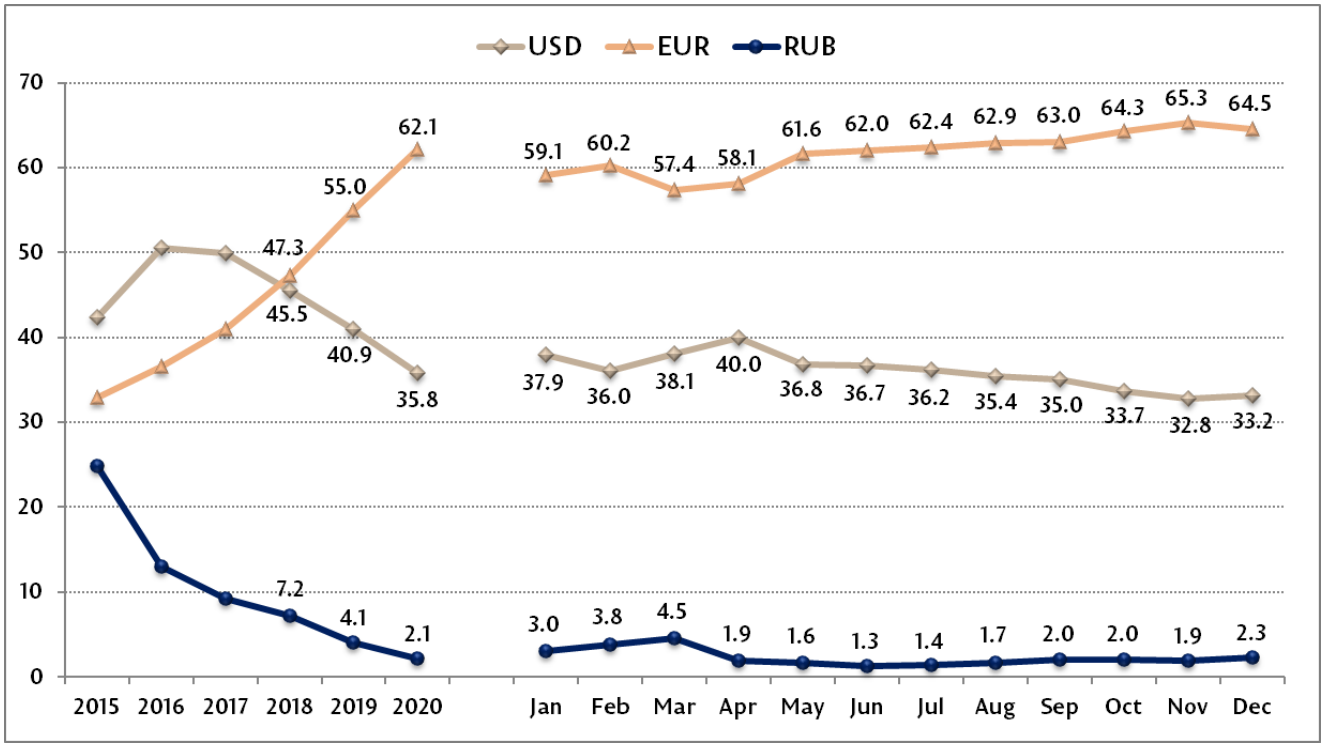


SOURCE: NBM, The International banking operations statistics.

It is noteworthy that a positive correlation between the share of money transfers in USD and RUB was recorded during 2016 – 2020 in the money transfers via money remittance systems. At the same time, there is a remarkable downward trend in USD money transfers from 45.5 percent in 2018 to 35.8 percent in 2020. During 2020, 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.

Currency structure of money transfers from abroad in favour of individuals via money remittance systems (2015 - 2020 - annual dynamics; 2020 – monthly dynamics), %

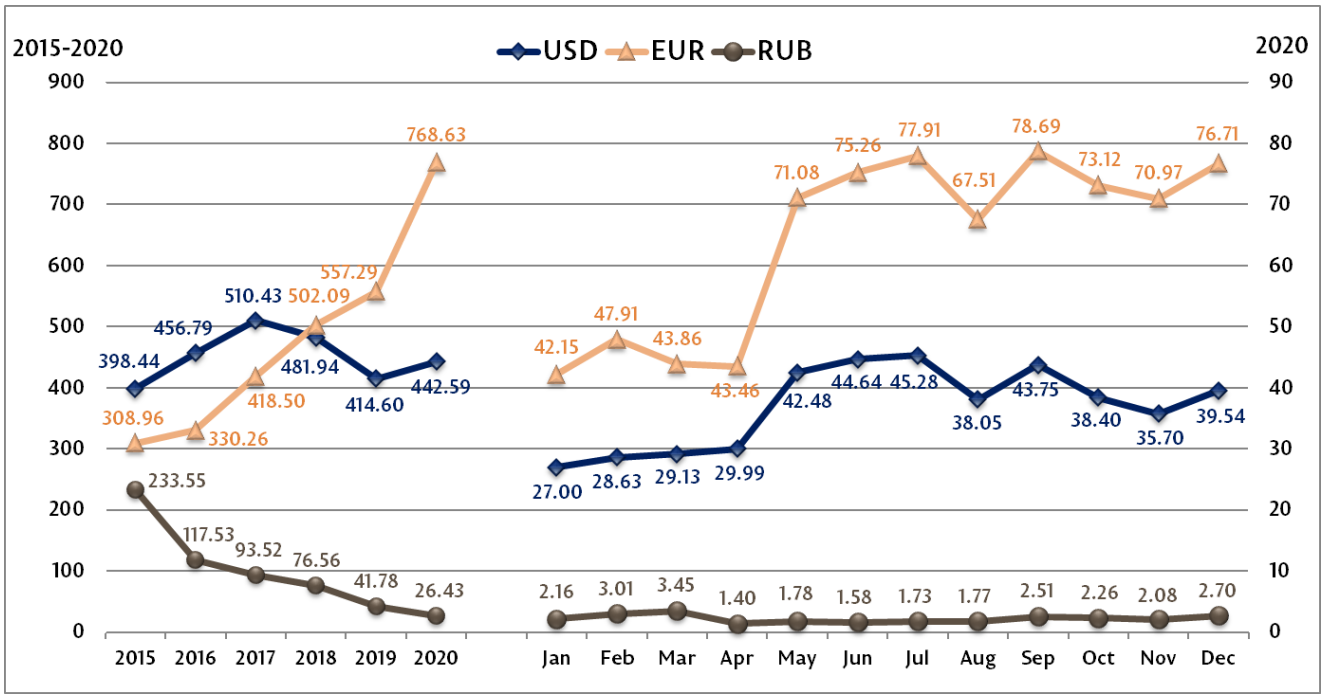


SOURCE: NBM, The International banking operations statistics.

In 2020, compared to 2019, the annual currency structure of transfers via money remittance systems was characterized by a decrease of 2.0 percentage points in the share of RUB transfers, down to 2.1 percent, and an increase in the share of EUR transfers by 7.1 percentage points, up to 62.1 percent. The share of transfers in USD recorded a significant decrease of 5.1 percentage points, up to 35.8%.

Chart no. 6.

Evolution of money transfers from abroad in USD, EUR and RUB (recalculated in USD) via money remittance systems, (2015 - 2020 - annual dynamics; 2020 – monthly dynamics), USD million



SOURCE: NBM, The International banking operations statistics.

During 2020, the volume of money transfers in USD and EUR via money remittance systems registered a positive correlation, with some deviations in March and April (Chart no. 6).

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 83.2 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 (1.0 percent of total transfers);
2. transfers to non-residents staying temporarily in the Republic of Moldova (0.2 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 21.77 million in 2020;
b) international transfers via SWIFT payment system to non-resident individuals, who are clients of Moldovan licensed banks;
c) transfers made via so-called banks 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 1999-2020 can be found on the NBM official website:
http://www.bnm.md/bdi/pages/reports/dbp/DBP4.xhtml;jsessionid=b5cafee6b3... [1]

Time series on money transfers from abroad made in favour of individuals via banks of the Republic of Moldova in the period of 1999 - 2020 can be found on the official website of the NBM:

Time series [2]

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

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